

# GIBRALTAR

## HOUSE OF ASSEMBLY



# HANSARD

11 March 1981  
Vol. 1

## REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Sixth Meeting of the First Session of the Fourth House of Assembly held in the Assembly Chamber on Wednesday the 11th March, 1981, 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  
and Trade  
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  
and Labour and Social Security  
The Hon. Dr. R. G. Valarino - Minister for Municipal Services  
The Hon. J. B. Perez - Minister for Medical Services  
The Hon. D. Hull, QC - Attorney-General  
The Hon. R. J. Wallace, CMG, OBE, - Financial and Development  
Secretary

### OPPOSITION

The Hon. P. J. Isola, OBE - Leader of the Opposition

The Hon. G. T. Restano  
The Hon. Major R. J. Peliza  
The Hon. W. T. Scott  
The Hon. A. T. Loddio  
The Hon. A. J. Haynes

The Hon. J. Bossano

### IN ATTENDANCE

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

### PRAYER

Mr. Speaker recited the prayer.

## CONFIRMATION OF MINUTES

The Minutes of the Meeting held on the 17th December, 1980 having been previously circulated, were taken as read and confirmed.

### DOCUMENTS LAID

The Hon. the Chief Minister laid on the table the following documents:

- (1) the Elections Order, 1981.
- (2) Reports of the Charity Commissioners for the year 1978 and 1979.

Ordered to lie.

The Honourable the Minister for Economic Development and Trade laid on the table the following documents:

- (1) The Prison (Amendment) Regulations, 1981.
- (2) The Pilots (Amendment) (No.2) Rules, 1980.
- (3) The Entertainments (Safety) (Amendment) Rules, 1980.

Ordered to lie.

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

- (1) The Landlord and Tenant (Rent Relief) (Terms and Conditions) (Amendment) Regulations, 1981.
- (2) The Postal Order (Amendment) (No.2) Regulations, 1980.
- (3) The Savings Bank (Amendment) Rules, 1980.

Ordered to lie.

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

- (1) The Social Insurance (Benefit) (Amendment) Regulations, 1980.
- (2) The Social Insurance (Contributions) (Amendment) (No.2) Regulations, 1980.
- (3) The Social Insurance (Insurability and Special Classes) (Amendment) Regulations, 1980.

(4) The Social Insurance (Claims and Payments) (Amendment) Regulations, 1980.

(5) The Conditions of Employment (Retail Distributive Trade) Order, 1980.

Ordered to lie.

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

(1) The International Trunk Call Charges (Amendment) Regulations, 1980.

(2) The International Trunk Call Charges (Amendment) Regulations, 1981.

Ordered to lie.

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

The Hospitals (Fees and Charges) (Amendment) Rules, 1980.

Ordered to lie.

The Honourable The Attorney-General laid on the table the following document:

The Fugitive Offenders (Designated Commonwealth Countries) Order, 1980.

Ordered to lie.

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

(1) Supplementary Estimates Consolidated Fund (No.4 of 1980/81).

(2) Supplementary Estimates Improvement and Development Fund (No.4 of 1980/81).

(3) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No.6 of 1980/81).

(4) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No.7 of 1980/81).

(5) Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No.4 of 1980/81).

Ordered to lie.

#### ANSWERS TO QUESTIONS

The House recessed at 1.00 p.m.

The House resumed at 3.15 p.m.

#### ANSWERS TO QUESTIONS CONTINUED.

The House recessed at 5.20 p.m.

The House resumed at 5.55 p.m.

#### ANSWERS TO QUESTIONS CONTINUED

#### THE ORDER OF THE DAY

#### MR SPEAKER

The Honourable the Minister for Public Works and the Honourable the Minister for Municipal Services have given notice that they wish to make statements. I will, therefore, now call on the Honourable the Minister for Public Works.

#### HON M K FEATHERSTONE

Mr Speaker, Honourable Members may remember that at the meeting of the 4th November last year, I made a statement in which I said we had appointed consultants to carry out an in-depth survey and to submit proposals towards the long-term and permanent solution of the rainwater penetration into the Tower Blocks. The report has been received and Government is now studying it specifically on the remedial measures suggested to remedy the water penetration and the attached complications. I shall be making one copy of the report available for the DPBG Opposition and another for the Honourable Mr Bossano within the next fortnight.

It will also be made available to the press and the public.

#### HON P J ISOLA

We look forward to reading the report, Mr Speaker, but may we welcome the voluntary statement on the part of the Minister to give members of the Opposition the report. I think that is a move in the right direction.

#### MR SPEAKER

I will now call on the Minister for Municipal Services.

HON DR. R. G. VALARINO

In March, 1980, Messrs Preece, Cardew and Rider were appointed to prepare the necessary tender documents for a power house with space for three sets, a loading bay, fuel storage and treatment, equipment, one generating set, a complete engine block for a second similar set and a piled base to take a third engine base. There were in addition the following major options:

- (a) a similar second set; and
- (b) provision of offices and surface areas to the North of the engine room.

Invitations to tender were issued in July and the closing date was the 29th of October, 1980. After clarification of contractual and technical ambiguities in relation to bid documents, Preece, Cardew and Rider completed their tender report which was received on 12th of January, 1981. Preece, Cardew and Rider engineers visited Gibraltar for discussions during the week beginning 26th of January, 1981. Following the recommendations of Preece, Cardew and Rider and the Government negotiating team, and adjudication by the Tender Board, Government has awarded the contract to Hawker Siddeley Power Engineering Ltd. (HSPB) on a turnkey basis and have accepted HSPB's choice of Baylor Woodrow International as their preferred civil sub-contractor. Government has opted for two similar engines of 5.2MW each and also the inclusion of the additional service areas. The installation of a second engine in the new station would convert it to a base load station from its beginning, thus the provision of adequate facilities for proper maintenance and servicing are necessary and also justifies the inclusion of the additional service areas, messing facilities and office accommodation in the original contract. Moreover, savings, particularly on fuel, will be considerable and further economies will be achieved by way of hire charges for the temporary plant and reduced maintenance costs due to retiring all plant in King's Bastion South. The scheme of the agreement on the contract thus reads as follows:

1. The HSPB contract price is £6,713,740. The total project cost including consultants' fees is £7,259,481;
2. The date of completion to commissioning of the first set is 8th May 1982 and of the second set the 17th of July 1982.
3. The amount of UK goods and services on the contract price is £5,732,944 of which

£4,873,002 which is 85%, is available through supplier credit finance. The balance of £1,840,738 is to be provided by commercial borrowing.

4. The letter of acceptance has established the date of contract as of the 27th of February 1981.
5. The formal signature of the contract will take place in April, once the contract documents have been bound.

HON G. T. RESTANO

Mr Speaker, I notice that the Minister for Municipal Services does not seem to take the advice of his Leader, because a moment ago his Leader said that he had told his Ministers not to give any dates because he would have Restano on his back and here he has given the dates of completion of the two engines by the 8th of May 1982 and 17th July 1982, respectively. First of all, is there any clause whereby should there be any slippage there would be compensation to the Gibraltar Government?

HON ATTORNEY GENERAL

There will be penalties for delay.

HON G. T. RESTANO

The payment of this contract, Mr Speaker, could I have some clarification on point 3 in the Minister's statement; "The amount of UK goods and services on the contract price is £5.732m of which £4.873m is available through supplier credit finance". Does that mean that there is no ODA connection in this scheme?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, may I answer that question. There is no ODA involvement in this project whatsoever. What we have done is gone for supplier finance which provides 85%. What happens is that 15% of the total cost of the contract is paid 30 days within the signature of the letter of acceptance and the balance of the UK goods and services will be paid at a rate of 8½%, which is a concessional rate, over a period of 7 years, six months after the completion of the contract. The balance of £1.8m will

be from a commercial loan which we are negotiating and have almost completed negotiations with a British bank and we hope to have this completed within the next week.

HON G T RESTANO

It is not unusual, Mr Speaker, for such a huge project as far as Gibraltar is concerned to have no ODA assistance? Has there been any other large, really large project going into millions of pounds, where the ODA has not given assistance? Were ODA asked to assist in this, or not?

HON FINANCIAL AND DEVELOPMENT SECRETARY

This, Mr Speaker, is a project which the ODA would expect to pay for itself over a period and is not the kind of project which would normally attract ODA finance.

HON G T RESTANO

When does the Government foresee that it will take up the option on the third engine, if at all?

A base is being paid for, Mr Speaker, for the third engine and I am asking when does Government foresee that it will take up the option on the third engine.

HON DR R G VALARINO

We shall be able to instal the third set as and when Government feels necessary but it will probably be somewhere in the region of 1985/1986.

HON G T RESTANO

But has any price been fixed for the option or will that be something that will come at a much later stage and no provision has been made.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, there seems to be some confusion here, there is no option for a third engine, the option was for a second engine. In fact, we have got a price for a 7-megawatt engine which is a price in 1981 terms, this would be about £1.6m.

HON G T RESTANO

The first and the second, I think the Minister said, were 5.2 and the third one will be 7?

HON DR R G VALARINO

Yes.

HON A J HAYNES

Will the new power house result in problems by way of aural pollution for the Varyl Begg Estate?

HON DR R G VALARINO

Mr Speaker, having regard to the prevailing winds which are mostly easterly and south westerly we think that the amount of pollution especially in a new generating plant with new equipment with proper facilities, will be minimal.

HON A J HAYNES

Mr Speaker, I am talking about aural pollution. Is he going to leave it up to the wind to decide whether there is going to be aural pollution? Are there any specific designs in the new power house to combat aural pollution?

HON DR R G VALARINO

Mr Speaker, I believe the Honourable Member really refers to noise level.

HON A J HAYNES

I refer to aural pollution.

HON DR R G VALARINO

These engines will have the appropriate silencers. The noise level will be kept to an acceptable level.

HON P J ISOLA

Let me say straight away that we welcome this announcement on the part of the Government. It is the end, really, and an admission of a long history, October 31st, 1979, when we asked the Government to give us assurances about the continued power supply situation in Gibraltar and we were told that within 18 months, which is next month, we would have a 5-megawatt generator in operation. It looks as if at long last, Mr Speaker, we are to have not one 5 megawatt generator in operation which we have been told was all that was required, we are to have two 5-megawatts generators within two years which is a vindication of the Opposition's stand that the real problem the Government had was a lack of generating capacity in Gibraltar and this has been the reason why for a very long time the Opposition has been asking to see the Preece, Cardew and Rider report. It seems to me that from the moment that Preece, Cardew and Rider was brought in February 1980, to evaluate the tenders, it appears that out of the blue because it is literally out of the blue, for the first time the House and Gibraltar is being informed that the Government is going to spend money to buy two 5-megawatt generators and not just one as had been their story ever since 31st October, 1979. Would it be too much to ask the Minister to explain to the House what are the reasons that have led this Government to decide on the 27th of February 1981, to have two 5-megawatt generators in operation by 1982? Does the Minister not think that this House and the public is entitled to have an explanation for this fundamental volte face in the Government attitude to the power supply of Gibraltar and I say in asking this question, that we welcome the statement and we would have criticised the Government as a grave error of judgement if they have not announced today two 5-megawatt generators because it was becoming increasingly clear to us that despite the skid generators and so forth, the Government was suffering from a serious lack of generating capacity and could we ask the Minister whose advice brought about this fundamental change in Government policy and in the very welcome Government decision of supplying two 5-megawatt generators. Mr Speaker, 1982, I think is going to be quite a happy year for Gibraltar. By about June or July, provided there is no slippage, we will have a continuous supply of power and by the end of the year we have been promised we shall have automatic dialling in and out of Gibraltar as well, so 1982 should be a good year.

HON DR R G VALARINO

For the Minister.

HON P J ISOLA

For the Minister, yes, all these things three or four years late but nevertheless one would welcome an explanation from the Minister.

HON DR R G VALARINO

Mr Speaker, the Government has always contemplated a second engine, in fact, when we went out to tender in my first paragraph I said there were in addition the following major options, a similar second set. So that we always contemplated a second engine. There are three basic reasons why we decided firmly on a second engine soon after the first one. Firstly, because we were thinking ahead and planning properly. Secondly, the fact that saving, particularly on fuel and spares, will be considerable and, thirdly, that by retiring all plant in KB South and by way of the hire charges we would save a great deal of money.

HON P J ISOLA

Mr Speaker, I shall not ask any more questions, obviously, we will study avidly everything the Minister has said and no doubt we will have a lot more to say about this.

## BILLS

### FIRST AND SECOND READINGS

#### THE SAVINGS BANK (AMENDMENT) ORDINANCE, 1981

HON H J ZAMMITT

Mr Speaker, Sir, I have the honour to move that a Bill for an Ordinance to amend the Savings Bank Ordinance (Chapter 142) be read a first time.

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

#### SECOND READING

HON H J ZAMMITT

Mr Speaker, Sir, I beg to move that the Bill be now read a

second time.

Sir, the explanatory memorandum tries to bring forward the impracticability of the Postmaster having to send a letter to a depositor who has had money in the Savings Bank for a particular period during which there has been no movement at all and it has been proved quite cumbersome in the past that it has been virtually impossible to trace the whereabouts of individuals particularly Servicemen who have served in Gibraltar and have had a small amount of money which has had no movement in the account. What the Bill is seeking to do, Mr Speaker, is that although it will not be done other than for a period of over 7 years when there has been no movement, it will be sufficient for the Director of Postal Services to give six months public notice as opposed to having to trace the whereabouts of the depositor. There are a number of accounts in the Post Office with very small amounts that have remained static for a very long time and it is felt that this Bill will overcome the difficulties the Director of Postal Services encounters in having to keep up with the procedure previously adopted. I think there is little I can add Mr Speaker, on this Bill. I commend the Bill to the House.

MR SPEAKER

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

HON MAJOR R J PELIZA

I think what the Minister is doing is very reasonable except I think that there should perhaps be some safeguards. Obviously with small amounts the principle may still be there but it does not really matter if a small amount eventually is lost to some depositor who some years later realises that he has not received a letter and comes and claims it. A small amount perhaps is not so important but there could be an instance where the amount could be substantial and in such a case I think that special motivation is given

HON H J ZAMMITT

The sum can never exceed £25.

HON MAJOR R J PELIZA

I suppose that notwithstanding that the account is closed a record could be kept and if a genuine claim were to be received I suppose it would be met.

HON CHIEF MINISTER

The point is that this is already in existence in respect of smaller accounts and what happens is that you publish the names in the Gazette on two or three occasions and if there is no response then the money does not become payable.

HON H J ZAMMITT

If the Honourable Member would care to look at Section 11 (b) of the Ordinance he will find that if at any time after an amount standing to the credit of a depositor has been transferred to general revenues, under section 11(a), any claim that establishes to the satisfaction of the Postmaster a claim to the whole or any part thereof, the Postmaster shall certify in writing the sum to which the claimant appears to be entitled.

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

HON H J ZAMMITT

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

This was agreed to.

THE EMPLOYMENT INJURIES INSURANCE (AMENDMENT) ORDINANCE, 1981

HON A J CANEPA

Sir, the Minister for Education and Labour and Social Security has unavoidably had to leave the House. I do not mind tabling this Bill since I am familiar with its contents. I have the honour to move that a Bill for an Ordinance to amend the Employment Injuries Insurance

Ordinance (Chapter 49) be read a first time.

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

## SECOND READING

HON A J CANEPA

Mr Speaker, I have the honour to move that the Bill be now read a second time. The Bill merely seeks to update the penalties which are specified in the Employment Injuries Insurance Ordinance. They stood at their present levels for many years and having regard to the loss in the value of the pound they were really most unrealistic. That is why the increases appear to be quite appreciable, in some cases being increases of the order of 500% but I think that they are much more in order with what should be expected to be a reasonable fine in present circumstances.

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 ATTORNEY GENERAL

Mr Speaker, I would just like to add by way of clarification that Honourable Members may recall that last year there was an amendment to the Social Insurance Ordinance to increase the penalties and as these two measures are, I think, of the same nature, it is appropriate that this Bill should make similar amendments to the Ordinance in question today and in fact it follows the same rate of increases, as it were, as the Social Insurance Amendment Bill did.

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

HON A J CANEPA

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

This was agreed to.

## THE MERCHANT SHIPPING (AMENDMENT) ORDINANCE 1981

HON ATTORNEY GENERAL

Sir, I have the honour to move that a Bill for an Ordinance to amend the Merchant Shipping Ordinance (Chapter 106) be read a first time.

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

## SECOND READING

HON ATTORNEY GENERAL

Sir, I have the honour to move that the Bill be now read a second time. Section 45 of the Merchant Shipping Ordinance contained a provision and favour of a seaman, i.e., it says that his right to wages is not dependent on his having to earn freight, but at present it also contains a qualification. The qualification is that he may be deprived of his wages in the event of a shipwreck of a loss if he has not used his utmost exertions to save the ship and the cargo and the stores which is perhaps a rather old fashioned and anachronistic provision. The United Kingdom law and also the International Convention applying to this, the International Labour Convention No.8 have deleted this qualification so that what is left is an absolute entitlement of the seaman not to have to depend on earning freight in order to be paid his wages and this Bill will follow the UK law and will also follow the International Convention. 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 ATTORNEY GENERAL

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

This was agreed to.

The House recessed at 8.00 p.m.

THURSDAY THE 12TH MARCH, 1981

The House resumed at 10.45 a.m.

THE STAMP DUTIES (AMENDMENT) ORDINANCE, 1981

HON FINANCIAL AND DEVELOPMENT SECRETARY

Sir, I have the honour to move that a Bill for an Ordinance to amend the Stamp Duties Ordinance (Chapter 147) be read a first time.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY

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

There is clearly growing interest in Gibraltar as a finance centre and it is the Government's intention to foster this interest and wherever practicable and it is in the interests of the territory to introduce so to do to introduce new or amending legislation where this would improve the facilities that Gibraltar has to offer.

An area of new interests which has recently arisen is in the establishment of offshore Unit Trusts. Only non-residents of Gibraltar would be allowed to invest in the units of such off-shore Trusts. The Deed setting up the Trusts would contain an absolute prohibition for any Gibraltarians or resident of Gibraltar (other than a tax

exempt company) to invest either directly or indirectly in the Trust without the consent of the Financial and Development Secretary. Such Trusts would be managed by companies registered here under the Companies (Taxation and Concessions) Ordinance. To date one such scheme has been approved in principle but interest has been shown in the formation of another.

The schedule of fees to the Stamp Duties Ordinance contains no specific provision for the transfer of units or assets in unit trusts and in the absence of such provisions the units and assets would be regarded as marketable securities and their transfer will attract the same Stamp Duty as a conveyance, i.e., 63p per £50 market value or part thereof. The level of transfers of units and unit trusts cannot be foreseen but transfers in batches of a million pounds in value would attract duty of some £12,600 for each transfer. This duty could be avoided by a locally-registered unit trust company maintaining the unit trust register outside Gibraltar. The Stamp Duties Ordinance provides for the remission of fees where duty has been paid elsewhere. Transfers with all the attendant work would be executed outside Gibraltar and thus would not be liable to stamp duty. Rates of stamp duty in competing financial centres elsewhere range from nil to 4%. The promoters of unit trust corporations interested in operating from Gibraltar would prefer to concentrate all activities, including transfers of units and the assets, here but given the existing high rate of stamp duty for such transactions would be prepared, if necessary, to execute the transfers elsewhere. In the circumstances it is proposed to replace the normal stamp duty liability with a fixed amount charge of £1,000 to cover all transfers of units and assets in all unit trusts including any resident trusts that may be set up in the future. The £1,000 fee would be an annual fee and would be paid whether or not any transfers were executed during the year. The change is designed to attract non-resident funds which in the normal course of events would not come to Gibraltar and is one which gives rise to no loss of revenue given that payment of Gibraltar Stamp Duty could be avoided. I regret and apologise to the House that owing to an oversight in the drafting instructions which I prepared for the Attorney-General, the Bill before the House does not provide for the transfer of the assets of a unit trust and I propose to introduce an amendment. Sir, during the course of the Committee Stage, with your leave.

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, the idea of encouraging off-shore unit trust schemes, of course, appeals and one agrees with the principle that some provision should be put in the Stamp Duties Ordinance to ensure that some revenues are collected from them. However, I do not know whether there should not be more comprehensive legislation of unit trusts rather than what seems to me to be a Bill that is a bit rushed. For example, it gives the definition of a unit trust scheme by reference to an Act of Parliament and I would have thought that there should be an amendment to the Stamp Duties (Amendment) Ordinance which defined a unit trust scheme for the purposes of Gibraltar. It seems to me wrong that one should have to go to an English Act of Parliament to find out what a unit trust scheme is. If there is a definition in the English Act may I suggest that this be incorporated in a definition amendment in this Bill. I notice that there is to be established an off-shore unit trust in Gibraltar and I wonder whether, if we are to encourage these unit trust schemes, whether there should not be some sort of legislation governing them. The question of the fee, I would certainly like to hear the Financial and Development Secretary tell us on what basis it has been decided to have a fee of £1,000, what is the basis for that fee? Are there going to be some rules or regulations governing the setting up of a non-resident trust. I think that in this area of unit trust schemes there ought to be some sort of legislation. I have not looked at the Prevention of Fraud Investment Act of 1958, I am not familiar with it, but should we not have ourselves some sort of legislation in that respect?

Is there going to be a licensing scheme for unit trust schemes? On what basis are licenses going to be given? Companies that wish to run, or people or investors who wish to run unit trust schemes, are there going to be some constraints put on them and, if so, what are these constraints to be? Is the £1,000 a year going to be a fee levied no matter what the size of the trust is. Or should there not be a graduated fee scale? I do not mean a very detailed graduated fee scale because I suppose one does not want to lose the business for Gibraltar, one wants to attract it. But it would be very difficult, I think, to change this and I would have thought that if

there was a trust of, say, £1m. that scheme could be a £1,000 a year and so for every £1m. one could put it up by sums of, say, £1,000. I do not know enough about it, I do not know whether this is financially possible or not but I do think that although there may be an interest in unit trust schemes and one welcomes these off-shore unit trust schemes in Gibraltar, I think the Government should try and get not too much, a reasonable amount of revenue from it. I would like to have reasons why there is to be just a flat fee no matter what the size of the trust is. There is one thing I would like to hear a bit more about. I thought I heard the Honourable Financial and Development Secretary, towards the end of his address, referring to resident trusts. Does that mean that a resident unit trust scheme of course, would be one that would not have any exemptions of any kind and would be set up in Gibraltar. I would have thought that for that sort of unit trust scheme one would require to have obviously rules and regulations about the setting up of them, and I suppose as these would probably pay tax of some sort here in Gibraltar, because it is a resident unit trust scheme, then such a trust scheme might well be exempt from any payments in view of the fact that their funds when invested would be paying tax to the Gibraltar Government. Mr Speaker, I hope these schemes will flourish but I think once we are legislating on unit trust schemes we ought to try and have some sort of comprehensive legislation, is that possible? If not, I suppose we could make do with this but certainly I think the Committee Stage should be taken at the next meeting of the House, Mr Speaker, and consideration is given at least to amending the legislation so as to have a definition of what a unit trust scheme is in our own legislation.

With those comments, Sir, which I hope will commend themselves to the Honourable Financial and Development Secretary, that is all I have to say on the Bill.

HON ATTORNEY GENERAL

Mr Speaker, if I can speak on the Bill. I note what the Honourable and Learned Leader of the Opposition has said about the definition. It is a point I was myself conscious of and were we introducing a general scheme for the control of unit trusts then most certainly I think the scheme should contain the same definition, there should be a definition in Gibraltar law of what the unit trust is but in this instance we are really only touching, as it were, on unit trusts into statutes and I think there

is a question from the drafting point of view, I know it is not the best practice but there is a question of balance. The two statutes we are touching are of course the Stamp Duties Ordinance and the particular part we are touching is one aspect of that Ordinance in the Schedule and also the Licensing and Fees Ordinance and again we are simply adding a provision to a schedule and on overall balance I think it would be a little cumbersome to repeat in full in each of those provisions, the definition which I have in this event taken from the Prevention of Frauds Investment Act of the United Kingdom and that was the reason that in drafting the Bill I did not do so but I understand the point of course made by the Honourable and Learned the Leader of the Opposition. If it came to the stage where there was a comprehensive regime for the regulation of unit trusts in Gibraltar then most certainly I think there should be a definition in Gibraltar law of a unit trust. The other point I would refer to, Mr Speaker, is that I think the Honourable and Learned Leader of the Opposition put the point to what extent are we providing for licensing machinery. Well, again, this is a rather peripheral aspect of unit trust operations and the effect of the amendment simply is to say as a matter of law that there shall be a licence fee of so much per year. It is not an elaborate licence. There again were we regulating unit trusts comprehensively; of course, the legislation would contain rather fuller provisions.

Thank you, Mr Speaker.

HON J BOSSANO

Mr Speaker, I think that apart from the technicalities of how best to regulate the establishment of unit trusts in Gibraltar where I myself have no expertise whatsoever, I do not really know enough about it to be able to contribute much in that connection. I think the philosophy behind making Gibraltar more attractive as a financial centre is one that the Government is right to embark on and one that we should support and encourage. It is an area where the benefits to Gibraltar economically derive not simply from the fee that is paid in stamp duty but from the employment it creates, particularly white collar employment which is something where we are beginning for the first time in Gibraltar to find difficulty in placing school leavers in jobs in the white collar area and where Gibraltarians traditionally have had skills which can be used very effectively, have been used very effectively by setting up off-shore finance centres in places like the Channel Islands and we should learn from their own experience in the area and make ourselves equally attractive because when the Government will be drawing revenue from the

money that is earned by the people who will be providing that sort of service. We have to be conscious that it is the skills of our people that is the best resource we have in exploiting Gibraltar's economic potential. I think I can say that I support fully the philosophy without considering myself sufficiently expert in the subject to be able to say whether there are things that should be added to this Bill to make it better.

MR SPEAKER

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

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, Sir, I am grateful to Members who have spoken on this Bill for their valuable contributions. I agree with the Honourable and Learned Leader of the Opposition that if unit trusts are to develop on a substantial scale in Gibraltar then we shall need rather more comprehensive legislation. But, of course, the basic control over a unit trust is the trustee which is set up and which provides for the way in which the unit trust will be run, its accounts kept, its auditing and for the protection of the persons who put their money into this trust. Clearly, in looking at overseas trusts which wish to register here, we in the Treasury, on consultation with other advisers, looked very carefully at the deed trust which is being established in the UK or elsewhere for the setting up of the trust. Furthermore, it is generally in the interest of the persons who are setting up the trust as an overseas trust here to clear themselves with the legal authorities and also with Inland Revenue in the United Kingdom to make sure that it meets Inland Revenue requirements. In the case of the one which is being accepted in principle, this has been done. In so far as we are concerned, we require that the trustees should have a minimum paid up share capital of £1m. The fee of £1,000 was agreed on the basis that a certain amount of work would fall on to Government offices, we would like to get some form of return for this. How much work it is difficult to say at this moment of time until the trust has been running for a period. It will be paid every year, not those years in which a transaction takes place. In all the circumstances a trust could go elsewhere, to the Cayman Islands or some other area, register their unit transfers or security transfers and pay nothing. We considered that a fee of £1,000 was not unreasonable and I believe that the persons who are interested in coming here would be prepared on that sort of fee to have their

register and all their documents registered here. I do not think that I have got anything else to say except that if, of course, unit trusts were to be set up locally and one hopes that at some time in the future they will be, then we shall need legislation and in drafting that legislation we would need to take cognisance of the point made and they will generate funds from the company tax point of view then they may well have offset the requirement to pay a fee for transfers.

Mr Speaker, Sir, 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 the Bill be taken at a later stage in this meeting.

This was agreed to.

#### THE GAMING (AMUSEMENT) ORDINANCE, 1981

HON FINANCIAL AND DEVELOPMENT SECRETARY

Sir, I have the honour to move that a Bill for an Ordinance to amend the Gaming Ordinance (Chapter 64) be read a first time.

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

#### SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY

Sir, I have the honour to move that the Bill be now read a second time. During the course of a review of the need to licence amusement machines, the Law Officers advised that operators of amusement machines which pay out lottery tickets as prizes were in effect operating those machines as gaming machines and this is contrary to the provisions of the Gaming Ordinance. Accordingly, the

Government agreed, in principle, that such machines should be granted an exemption under the Gaming Ordinance subject to the necessary amending legislation being passed and to the annual payment of a fee that initially should be £100 per machine. A number of ways in which such an exemption might be granted were considered. It would be possible to grant exemption under the existing Ordinance. However, Section 5 of the Ordinance is better suited to particular situations and the exemption procedure contained in that section would be cumbersome for the present use. Where we have a clear class of gaming machines and there are likely to be several applications, it is easier to issue a licence and to issue it to the operator and the Bill so provides. 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, Sir, this is another amendment that we are having in respect of gaming. I think at the last meeting of the House, if I remember rightly, we had an amendment I think it was to the Licensing and Fees Ordinance, in relation to the amusement arcades and the licensing of the same. During that debate we, on this side of the House, expressed concern at the way in which these gaming machines of all sorts were appearing all over the place in Gibraltar and we asked for legislation controlling amusement arcades and, indeed, gaming machines generally and I think the answer we got from, I think, the Minister for Economic Development and Trade, the answer we got was that this was a matter for parents to control how their young behaved. We do not agree with this because we believe on this side of the House and I think people generally believe that although primarily responsibility for control of children must lie with parents, the State or the Government has a responsibility, generally, to ensure that people do not suffer as a result of the free use of these machines.

This Bill Mr Speaker, proposes to authorise an issue of an annual licence for the keeping for gaming purposes of gaming machines that only pay out lawful lottery tickets by way of prizes. I know this will help the Lottery Committee and the sale of the Government lottery. This is good and we applaud it but again it is an extension

once more of gaming in Gibraltar. At the moment people can, I presume, play and will get prizes that are not worth anything or play a game, etc. Now it appears that as a result of winning they are going to win lottery tickets which will bring them £15,000 or whatever. Mr Speaker, I would like to repeat the plea on the part of this side of the House of the need for legislation to control gaming and amusement arcades in Gibraltar. Although we agree that there should be a licence if they are going to give out lawful lottery tickets, we do not agree in Government making it easier for gaming to take place more widely than it already does so in Gibraltar and again we say there is a need for legislation to control amusement arcades and all places where gaming takes place in Gibraltar. There have been some extraordinary situations in England, as the House must be aware and only recently, Casinos owned by big public reputable companies have lost their licences, have sold them. I read in the paper only two days ago that four very big Casinos in London, owned by very reputable companies were sold and they went up on appeal that the gaming licences should not be cancelled, they went on appeal to the Court and the Court said; "It does not matter, you may have sold them to the most reputable people but if we were to allow an appeal then we would be condoning the original offence". And they did not grant the licence and those Casinos have had their licence cancelled. I do not say, Mr Speaker, that we have that sort of problem in Gibraltar but I do believe that there is a need for a licensing authority to be set up as there is in England, a licensing authority, to give gaming licences to all those who have it and a licensing authority to which objection can be taken by the Police if the place is not properly run or by members of the public. There is a need to control and regulate the use of amusement arcades and other gaming places and I would ask the Government to give us assurances that these matters will be gone into and that the Government will consider legislation for the regulation and control of places where gaming takes place.

#### HON CHIEF MINISTER

Mr Speaker, I think the Leader of the Opposition has drawn a very wide comment on a matter which is really very specific and has repeated what he said the last time. With regard to the question of amusement arcades, we did say that we would keep the matter under review and it appears that the original concern and possible abuse that appears to have existed and which was the worry of a lot of people, has subsided and that these people are managing their affairs in a way that they have not given any recent

cause for complaint but nevertheless we are monitoring, we are getting reports of the way in which these places are run and if there was any cause to create any trouble then of course the Government would step in. The Government is reluctant to control more than is really necessary in any aspect of life and certain matters must be left to the responsibility of people themselves, in the case of youngsters, of course, to themselves, to their parents and to their teachers. For the moment that aspect of the matter is under review, the points made by the Honourable the Leader of the Opposition last time have been kept in mind and we have been reminded of them now and if there is any change in the attitude of course the Government will have no hesitation in coming to the House in respect of that. I shall deal with another aspect of what he has said in a minute. With regard to this one, this is nothing new. Precisely because the arcades have had to be registered and so on these machines have been operating at no doubt some considerable profit but these are not machines that operate in arcades, these are machines that operate mainly in bars and so on. My concern is really not so much a question of obtaining the fee for the licence as of making sure that really the prizes are lottery tickets and this is where I would like to take this opportunity of issuing a warning in this respect and this I make in protection of the Gibraltar Government lottery which is also a good income raiser for the community and that is that we hope that now that they have been identified and will have to be registered, that there will be a closer check on whether in fact sometimes money passes or does not pass instead of lottery tickets. It has been my experience, though I do not visit bars very often, that occasionally when people have won in my presence, the Management have said: "We do not have any lottery, take the money and buy it somewhere else". Well, that is not good enough for us, we want bars to have lottery for their commitment under this scheme because that is why we have allowed them. Once they have been allowed and once they are making profit it is only fair also that they should be monitored by the payment of a licence and in order to be able to make sure that they are used for the purpose for which they are authorised. With regard to the latter part of the statement made by the Leader of the Opposition about a general licensing authority for gaming, I think we are well covered but I shall cause a look to be taken at this in a general way to see whether now that we have the number of licences in respect of different kinds of gaming whether they need some centralisation control not only in respect of the collection of the fees but, generally, in respect of gaming. We are in a position here in Gibraltar that the only hard gaming available to the public is under the exclusive licence of the Casino operator and he has a concession, the terms of which may come up for reviewing

in a few years' time and therefore we have not got that problem, we only have the problem of enforcement but certainly we have had no report or anything to show that the Casino is not being well run and that there have been causes of the kind that arose in the United Kingdom about the cause to which gaming Casinos were being put to. We have only one Casino and we have no doubt that it is run properly though nowadays as everybody knows it is 60% to 70% of the time a Bingo Hall run than a Casino. That is because of the situation but if this situation changes and the Casino is then used for the purpose for which it was originally meant in the condition of an open frontier then of course much more control and regard will have to be had into the way it is run but I would like to say here that there is nothing that the Government knows in respect of the Casino that would want it to be more supervised than, in fact, it is now.

HON A LODDO

Mr Speaker, I am a firm believer that persuasion rather than coercion leads to more respect for the law and I can understand up to a point the Government's reluctance to come down heavily on the question of gaming machines but I personally am very worried at the proliferation of gaming machines in Gibraltar and this is a worry that is shared by all the members of the DPBG. The measures adopted up to now in legislation to me seemed to be more concerned with revenue raising than with the actual control and as for this piece of legislation ensuring that the prizes will be lottery tickets, well, that I am afraid is pie in the sky because whether or not you insist that prizes be lottery tickets it will be up to the individual barman to say whether the prize can be collected in lottery tickets or drink unless there is a policeman behind every shoulder of every barman we will not be able to control that 100%. My other worry here is on the question of gaming machines which pay out money legally in Gibraltar. We have heard that the Casino has a concession but I have been given to understand that at least one hotel in Gibraltar either has a gaming machine that pays out money or will shortly install a gaming machine which will pay out money presumably for the use of the patrons of the hotel. If I remember correctly, when the Casino was first opened in Gibraltar, the idea that it would be for the use of the tourists and like similar Casinos in other places the local residents would not be allowed to make use of it. However, as time has gone by, it has been found that the Casino is kept going by the local residents and this is a worry to me, that machines that actually pay out money will be installed. I would like to know whether, in fact, this is the case, that one

hotel in particular will be installing a machine that pays out money and if so under what conditions this hotel has been allowed this concession, which up to now has been the prerogative of the Casino International.

HON CHIEF MINISTER

Mr Speaker. If the Honourable Member will give way before he finishes. I would just like to say that the person who has the concession is the owner of the machines that have been installed in the hotel exceptionally and for reasons that he made we allowed a minimum number of so-called one-arm bandits to be installed in hotels and only one or two have materialised in one hotel and I think they were seven. This has been an extension of the concession to the Casino but in no way has it been the intention of the Government to allow the installation of machines that give money as prizes other than strictly under the terms of the licences which has been slightly extended in a very limited capacity. One of the sites which they had asked in this representation which we limited to the hotels to the extent only of 7 in all was for one to be installed at the airport and that was turned down so we have limited it to the purpose which the Honourable Member mentioned, to tourism, i.e., mainly hotels.

HON A T LODDO

I am grateful to the Honourable and Learned the Chief Minister for shedding some light on this. Not that I am for the gaming machines, I think my intervention will have shown that I am not for gaming machines in any way but I would have thought that if there was going to be an extension of this it would have been more equitable to have invited applications for the installation of these machines and have made it more competitive. The Government might have been able by throwing this open to recoup more from the use of these machines. However, I say this without prejudice because I am against the proliferation of gaming machines.

HON CHIEF MINISTER

I am going to say one thing that I should have said before, that even these seven that have been allowed will carry a very heavy tax in respect of each one that is installed.

HON MAJOR R J PELIZA

Mr Speaker, I think my Honourable Friend who has just spoken has raised two very interesting points which I think confirms the suggestions from my Honourable Friend Mr Isola for the need to have some kind of control because although the Chief Minister said that he was reluctant to have control unless it was absolutely necessary I think the indications that are coming out from this discussion is that the need is there already. For instance, I think my Honourable Friend Mr Loddio very clearly stated that although these machines are giving out lottery tickets they can easily be converted into money because even if the policeman is there is it an offence for a person to sell a lottery ticket to another? Would it be an offence at all if the barman gave the individual who got the ticket money for his ticket? It would be interesting to know from the Honourable and Learned the Attorney-General if that would be an offence because if it is not then the whole thing is a farce in that the ticket is drawn out of the machine and that can be converted into money. That difference is there whether the machine gives out lottery tickets or produces money prizes. I can hardly see the difference at all. The other point which was very interesting is the fact that now the so-called one arm bandits seem to be spreading over town and what is more they are under the monopoly of one concern. Is that really the way to look at this? I do not know why the members of the Government say no because that is what I think the Chief Minister said. As far as I know the machines are run by the Casino, so what we are doing now is that a licence that was given for one particular place is now being used in other premises. Since I understand the licence is restricted to one person, that person is acquiring a monopoly for the use of one-arm bandits in Gibraltar. This is something that has got to be looked into and this is why in my view there is a need for an authority which will look exclusively into this matter for any complaints, whether this comes from a business concern which is interested to try and they themselves exploit that kind of business or individuals who may object to the spreading of these gambling machines. I hope to persuade the Chief Minister that there is a need to look into this very carefully. I am glad to say that he said he would. I think he is not dead against the idea of finding out whether there is a need for an Authority but what I am saying is that the evidence that has been coming out from this discussion seems to point out that already there is a need. With regard to amusement machines, such as gaming machines etc., one must also keep an eye on that. I understand that there have already been cases of children literally . . . .

MR SPEAKER

No, we are not going to elaborate on that under any circumstances.

HON ATTORNEY GENERAL

If I may speak on the point to which the extent of the law prescribes dealings in prizes from gaming machines. The point of this amendment and indeed the scheme of the existing statute, the Gaming Ordinance, in so far as it provides for exemptions is to make legal what is otherwise not legal. All this Bill is doing is saying that if a machine is a gaming machine if it is a gaming machine which only distributes prizes which are tickets in a lottery or are parts of tickets because in Gibraltar we have tickets in segments, if it does no more than that then it is not unlawful but it says nothing about anything else. When one comes back to the basic prohibition or injunction in the Gaming Ordinance is that you shall not operate a gaming machine, this is a dispensation from that, this does not authorise anything else to be done.

HON MAJOR R J PELIZA

What I was asking is, is it an offence to exchange the lottery ticket for money?

HON ATTORNEY GENERAL

All this Bill does is say that you may operate a gaming machine even though it is a gaming machine if it only hands out lottery tickets. It is an offence to give anything else by way of a prize unless you can point first of all to an exemption under Section 5 of which if there is an exemption then of course it is legal or you can point to a licence under this Ordinance which authorises lottery tickets to be given otherwise, yes, it is an offence.

HON P J ISOLA

Could the Honourable Member clarify this point. Is the position then that if a person is licenced to give a lottery ticket, once the person gets the lottery ticket from the pub there is nothing to stop him in law from selling that lottery ticket back to the pub and therefore should it not be a condition of the licence that such lottery ticket shall not be exchangeable in the premises in which it was given, otherwise you have got a gaming machine giving out money and the lottery is not going to

be sold, it is going to be transferred day to day, the same lottery ticket is going to be sold for money every day.

HON CHIEF MINISTER

That is a good point that can be put at the Committee Stage, that part of it.

HON J BOSSANO

I think, Mr Speaker, the Bill itself is a fairly straightforward one and a lot of issues have been raised which are not directly relevant to the Bill but which certainly are issues that need looking at. As I understand it the position is that as a result of looking at the amusement machines, it has been decided that the machines that were already in existence in the bars were not in fact amusement machines at all and that the distinction between an amusement machine and a gaming machine is that the amusement machine is one which you play for the pleasure of playing it and the gaming machine is one that you play for the profit that you make out of it and consequently these machines are now being reclassified as gaming machines as opposed to amusement machines, that I think is the issue. As regards that particular issue I believe it is true that the machines have been operating as gaming machines for a very long time and they have in fact been paying out money because I certainly have been in bars where the prizes have been credit at the bar and consequently if one is able to use credit at the bar and leave the credit there until the credit is used up that is as good as money in the bank. I think the point made about the lottery ticket is equally valid. I think while the Government is looking at the question of these machines one thing it must look seriously at and I myself am not very favourably disposed to setting myself up as judge of other people's morals, I believe my responsibility is on my own conduct and I do not really believe that one should say that gaming is something that should be encouraged or discouraged or that people should be prohibited from it. Ideologically I am not inclined to support that sort of philosophy. I fail to understand why people do it. I have been in a place where somebody has actually obtained £20 of coins in a bar and put the £20 in the machine and kept on playing it until the £20 have run out. I cannot understand why people do it but apparently they want to do it and it is their money and if they are doing it then what we must ensure is that that which is really a totally pointless economic exercise because it is a way of using up time and energy which produces no wealth

at all then that should not simply be in existence in our community to make a few people rich and to provide very little income for the community as a whole. If people want to spend their money doing that as opposed to spending it some other way then a greater share of the profit that is made and of providing them with the opportunity of doing it should go to the Government and should be used for the benefit of the community and therefore I am not thinking so much of taxes as a penalty or as a means of discouragement but if people have got money to throw away on gaming machines and money to throw away on amusement machines then at least let us see that part of that money is used for something that is socially beneficial rather than telling them what they can or cannot do with their money. I think the Government should seriously think of having a more effective control about the money that is being made with these machines and of ensuring that a part of it is used for public welfare.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, Sir, I feel that discussion has become slightly blurred by a number of misconceptions. The first is that this is a new departure in that at the moment no amusement machines give out lottery tickets and this amendment in the Gaming Ordinance is being introduced to enable them to do so. The fact of the matter is that, as pointed out by the Honourable Mr Bossano, that over a long period lottery tickets have been paid out as prizes on amusement machines and when it was found out that this was being done and the law officers advised that it was illegal, then the steps were taken to licence machines for this purpose. Secondly, the impression has been given in discussion that there is a very lax attitude on the part of this Government and earlier Governments on the licencing of gaming machines. I have only been in Gibraltar for some eighteen months and I must draw on Treasury files for information that I have but I can assure the House that over the past twelve years, if not longer, there have been continuous approaches to various Governments by bodies asking for licences to operate gaming machines and these have been steadfastly refused. In the mid-70's, following representations by the Ministry of Defence, it was agreed that gaming machines might exceptionally be installed in certain Service messes. This was after the closure of the frontier and one of the reasons given also was the fact that soldiers and sailors who came here were used to finding these amusement machines in messes where they had served elsewhere overseas and for various reasons a limited number of licences were approved and as the Honourable and Learned the Chief Minister has mentioned one was approved for an hotel. I mentioned the

figure seven to the Chief Minister and I may stand to be corrected but it is certainly under ten, the number of exceptional licences that have been granted in this manner. We have turned down numerous requests by clubs and certain other Service messes for these machines and the Government has said no, they would not extend the figure which was agreed in the mid-70's. I would like to make it quite clear, Mr Speaker, to the House that there is not a feeling of; "Well, if anyone wants a licence for a garing machine they can have it". It is being very carefully controlled. The Attorney-General has dealt with the point of the payment of money and the points made by the Honourable and Learned Leader of the Opposition has been noted and Government will consider this before the Committee Stage. I do not think I have got any other points I would like to make, Sir, 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 the Bill be taken at a later stage in the meeting.

HON P J ISOLA

We would like the Committee Stage to be taken at the next meeting because we are going to propose some amendments to the Bill and we were only given notice of this Bill four days ago.

HON CHIEF MINISTER

What we really do not want is last minute proposed amendments at the time of the hearing and having to agree or not agree ad hoc to something that is produced. If the Honourable Members have any ideas and they should formulate them, I would be grateful if they could be communicated either to the Attorney-General or to me so that we can look at them and see whether we will try and accommodate them as much as possible but it becomes difficult to deal with proposals on an ad hoc basis at the Committee Stage when one does not know all the implications.

MR SPEAKER

Under the Standing Orders, of course, the rule is that unless there is a unanimous vote it cannot be heard on the same day but it can be heard tomorrow or at a subsequent time within this particular meeting. Is it being proposed that it should be heard at a subsequent meeting?

HON CHIEF MINISTER

Not at this session but at this meeting.

HON P J ISOLA

I was not asking for tomorrow, I was asking for the next meeting of the House. Generally, it is the practice that Bills at Second Reading are taken at one meeting and Committee Stage is usually taken at the following meeting unless people generally agree. This is one of the Bills that we feel should follow the normal practice. The Bill was only made available to members on this side of the House, this Bill and some others, on Friday of last week and of course it has been published in the Gazette but as far as we are concerned we are proposing to move amendments and we take the point that the Chief Minister has made that we should give notice of them but it is impossible for us to do this by tomorrow morning.

HON CHIEF MINISTER

I am not suggesting that at all. What I said was that this meeting is being divided into two and we could take it in the second part of the meeting, i.e., on 22 April at the Budget. We have one other Bill which I have precisely, because of that, not put it down for Committee Stage and Third Reading at this meeting which is the question of the interest on non-payment of rates which is particularly important to be taken before the end of the Budget because it comes into operation on 1 July and therefore it will be necessary, anyhow, for people to be given notice. What I mean is that there may be, apart from the Budget, an element of legislation to be done anyhow and this one could be one of those.

HON ATTORNEY-GENERAL

Mr Speaker, may I just clarify a point. The Honourable and Learned Leader of the Opposition said that the Bill was made available on Friday, I am not detracting from

anything that has been said but it is a matter of slight concern to me, the Bill was published on the 3rd and if there has been a delay in it being given to Members . . .

MR SPEAKER

With due respect to the Honourable and Learned Attorney-General there has been no delay on the part of the House in delivering copies of the Bill to Members of the Opposition.

HON ATTORNEY-GENERAL

I am sorry, Mr Speaker, I was not suggesting that at all.

HON P J ISOLA

I must apologise because, in fact, I was relating it to when we got the Agenda. We got the Agenda a week last Thursday and it was the afternoon. I am sorry, we have had it more than a week, I got the wrong week.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Having made the original mistake which caused this controversy I beg to give notice that the Committee Stage and Third Reading of the Bill be taken at a later stage of the meeting.

This was agreed to.

THE PUBLIC HEALTH (AMENDMENT) ORDINANCE, 1981

HON FINANCIAL AND DEVELOPMENT SECRETARY

Sir, I have the honour to move that a Bill for an Ordinance to amend the Public Health Ordinance (Chapter 131) be read a first time.

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

SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY

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

The object of the Bill now before the House is to provide for the charging of penalty rates where any part of the general rate or a salt water rate remains due and unpaid for more than three months. Sir, it is an unhappy fact of life that everywhere in the world there are some persons or groups of persons who are slow in paying their bills. They leave the payment of all bills until the last moment thus enhancing their own financial position and cash flow to the detriment of the creditor. In so far as rates are concerned it is the Government and the Government is acting as the banker to people who do not pay their bills on time. The slowness in payment of bills to public authorities may be in the form of income tax, estate duty, rates or charges for the provision of services such as electricity and water. There is at present, Sir, provisions in the Income Tax and Estate Duty Ordinances to charge penalty rates where amounts are due and owing for more than a specified period. The Government is also empowered under the provisions of the Public Health Ordinance to cut off the supply of potable water, electricity or telephones if the consumer makes default in paying for the services supplied. There is, however, at present no provision in the Public Health Ordinance to charge a penalty rate and clearly this is an area where services cannot be cut off. The intention is, therefore, to introduce for both salt water and the general rate a penalty rate equal to 5% of any amount due and unpaid within three months after it is due and payable. If at the end of the further three months the amount owed, including the penalty, is not paid in full, a further penalty rate equal to 5% of the amount due and payable will be levied for each subsequent period of three months during which the amount remains due and unpaid.

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

We have to support this Bill but there is one point that I think the Financial and Development Secretary might consider. It seems to me from the reading of the Bill that if you have not paid for three months you pay a 5% penalty. Having incurred that 5% penalty it would seem to me that you could then hold on to the money to the

expiration of another 2½ months because your new 5% liability will only arise when the sixth month has gone by. Once somebody has gone past that date, he could say that the Government might as well wait for another six months since he has got to pay 5% more. I do not want to suggest more draconian measures but perhaps there should be a provision that once a date passes the new rate comes in otherwise there could be an incentive to hold on to the money for another three months.

Mr Speaker, apart from that, anything that helps Government to collect revenue we agree with.

HON CHIEF MINISTER

Mr Speaker, this is a point which has worried us before, this point that has been made now, and the original idea was that thereafter there would be a penalty for every month. This would bring in considerable administrative difficulties and in view of the fact that the payment of a percentage for the first quarter does give virtually a licence for two months and twenty-eight days, we might have to think about putting the percentage a little higher than 5% but this is a matter which has worried us before but in fact it was the Financial and Development Secretary who thought that this would bring considerable administrative difficulties in gauging the interest if it had to be done by the month since rates are levied quarterly.

MR SPEAKER

Rates are paid in advance are they not?

HON CHIEF MINISTER

On demand.

MR SPEAKER

And they are demanding in advance?

HON CHIEF MINISTER

Yes.

HON FINANCIAL AND DEVELOPMENT SECRETARY

I am grateful to the Honourable and Learned Leader of the Opposition for the point he made which I think that the Chief Minister has answered. In fact, when the papers were originally drafted they did provide for a penalty for each month. I went into this very carefully with the Accountant-General and the members of his staff who are responsible for the collection of rates and I realised that they would have such difficulty in working out the actual penalty in the office and we would probably be seeking extra staff so I decided that it would be far better to go for the three month period on which they are due and hence this is the reason. Even so, if a person leaves it for the six months he will be paying 10.25% and at the end of the year he will be paying 21.55%. This is a substantial penalty but I think it is one which is necessary when the House takes into account that at the 31st March, 1980, arrears to the general rates and salt water was some £345,531 which is nearly 20% of the revenue from rates on salt water for the year, a very, very high amount.

Mr Speaker, Sir, 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 the Bill be taken at a later stage in the meeting.

This was agreed to.

THE SUPPLEMENTARY APPROPRIATION (1980/81) ORDINANCE, 1981

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.

## SECOND READING

### HON FINANCIAL AND DEVELOPMENT SECRETARY

Sir, I have the honour to move that a Bill be now read a second time. The Bill seeks to appropriate, in accordance with Section 65(3) of the Constitution, a further sum of £1,983,522 out of the Consolidated Fund. The purposes for which this sum is required are set out in Part I of the Schedule to the Bill and are detailed in the Schedule of the Consolidated Fund Supplementary Estimate No.4 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 £613,400 from the Improvement and Development Fund for the electricity and telephone services. A detailed explanation of the composition of this amount is included in the Schedule of Supplementary Estimates No.4 1980/81 for the Improvement and Development Fund which I also tabled at the beginning of the meeting.

Mr Speaker, Sir, as this is, I hope, the final supplementary for 1980/81, I should perhaps bring the attention of the House to the fact that if the amount sought in the supplementary on the Consolidated Fund is approved, the total supplementary for the current financial year will amount to £3.2m. which is slightly less than 10% of the total voted on a recurrent budget excluding Consolidated Fund charges. On the Improvement and Development Fund the supplementary brings the total supplementary sought from that Fund in the financial year to £3m.

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 F J ISOLA

We will be speaking, obviously, on the Schedule in Committee stage but at this stage could I ask the Financial and Development Secretary to explain the reason for and the necessity for Clause 5 in the Bill.

### HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, Sir, I think that this is because we have applied from the 1980 Pay Settlement the amounts required to meet the introduction of Members' salaries which have been done in the past. I will go into it in detail, if I may, at the Committee Stage.

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

### HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, 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.

### COMMITTEE STAGE

### HON ATTORNEY-GENERAL

Sir, I beg to move that this House resolve itself into Committee to consider the following clause by clause.

1. The Savings Bank (Amendment) Bill 1981;
2. The Employment Injuries Insurance (Amendment) Bill 1981;
3. The Merchant Shipping (Amendment) Bill 1981;
4. The Stamp Duties (Amendment) Bill 1981;
5. The Supplementary Appropriation (1980/81) Bill, 1981.

### THE SAVINGS BANK (AMENDMENT) BILL, 1981

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 EMPLOYMENT INJURIES INSURANCE (AMENDMENT) BILL, 1981

Clause 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 MERCHANT SHIPPING (AMENDMENT) BILL, 1981

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

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

THE SUPPLEMENTARY APPROPRIATION (1980/81) BILL, 1981

Clause 1

HON P J ISOLA

The Appropriation Bills usually have a number after them.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, Sir, this is the First Supplementary Appropriation for 1980/81 for 1981. The first supplementary Appropriation Bill in 1980 was the Supplementary Appropriation Bill 1980/81 and then the second one is given a number, etc., but once we move into the new calendar year then we leave out the number.

If in fact we do need a Bill after the Public Accounts Committee has seen the accounts for the year then that would be the second Supplementary Appropriation Bill of 1981 for 1980/81.

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

Schedule

Consolidated Fund - Schedule of Supplementary Estimates  
No. 4 of 1980/81.

Item 1 Head 3 - Education

HON A T LODDO

On this one I would like to ask how many supply teachers

have been taken on due to maternity leave?

HON MAJOR F J DELLIPIANI

Mr Chairman, I think we are talking in the region of between 29 and 30 teachers. We have at the moment 17 maternity cases.

HON A T LODDO

Is this an occupational hazard? Mr Chairman, on Item 3, Transport Subsidy of schoolchildren - £500. Could I have an explanation?

HON MAJOR F J DELLIPIANI

This refers, Mr Chairman, to the cheque system for the buses. This is a backpayment. The cheque system was based at a certain rate for the bus fares, the bus fares went up and this is an adjustment.

HON A T LODDO

On Item 17, I notice that there has been a substantial increase in fees from £366 to £880 per child with effect from 1 April. Could I ask the Minister if there has been a reciprocal increase from our side to MOD.

HON MAJOR F J DELLIPIANI

We are talking of two different things, Sir. When we talk about £336 and the £880 we are talking of children between the ages of 5 and 12, i.e., Primary and Middle School, and not Secondary School. Our figures, in fact, for the same kind of education are £445 and their figures because of all kinds of fringe benefits of the teachers, accommodation, etc., etc., come to £880. In fact, our own figures for secondary education in modern comprehensive which is far more involved, more equipment, the ratio per teacher still comes under £880. We are going to increase based on our own estimates, but not to the extent of £880.

HON A T LODDO

Is it then a case of us being overcharged?

HON MAJOR F J DELLIPIANI

We are not being overcharged, we have looked through their figures and they have looked through our figures and there is no question of overcharging. That is what it costs them.

Item 1 Head 3 - Education was agreed to.

Item 2. Head 4. Electricity Undertaking

HON G T RESTANO

Item 7. Cost of essential additional spares. Could we know for what engine those spares are intended for?

HON DR R G VALARINO

Yes, Mr Chairman. These are the costs of essential additional spares and in fact they are not for any particular engine, they are for reconditioning of any unit. The Governor which is £1,000; reconditioning of motor assembly £14,000; pump unit spares £5,300; service of torsion exhaustion vibration £1,800; engine spares, the excitor, £5,000, engine spares, general, £1,400, pump spares £4,500, condensers £500; engine joints £6,500; filters £1,600 and exhaust bellows £400, making a total of £42,000. These are additional requirements for repairs and do not cover any specific engine.

HON W T SCOTT

Mr Chairman, is there any element within the cost of those additional spares for the skid generators?

HON DR R G VALARINO

As far as I know, none at all, Sir.

HON W T SCOTT

Can the Minister say whether there is or not?

HON DR R G VALARINO

There isn't any, Sir.

HON G T RESTANO

Item 85. Cost of additional brickwork and further essential work for the new generating plant. Could we have details of the extra £27,000?

HON DR R G VALARINO

Yes, before we turn to Head 85, I would, with the leave of the House, like to reduce that figure by £3,600. I beg to move that the sum of £27,000 appearing in the Supplementary Provision column under Item 2 Head 4.- Electricity Undertaking Sub Head 85 (New) Hire of Generating Plant, be reduced to £23,400.

Mr Speaker put the question in the terms of the Honourable Dr R G Valarino's amendment which was resolved in the affirmative and the amendment was accordingly passed.

HON DR R G VALARINO

I will now answer the question, Mr Chairman. The Honourable Member wanted to know the figure in question. £11,500 is to heighten the wall; £8,300 is the catwalk that the Electricity Department erected. This consists of steel £1,800 and labour £7,000; £2,723 of unallocated stores and £484 of ducting from site to control room, making a total of just over the figure mentioned.

HON G T RESTANO

Why has it been found necessary to heighten the wall, Mr Chairman?

HON DR R G VALARINO

To quote the Honourable Mr Haynes, to cut down on aural levels.

HON G T RESTANO

This had not been estimated before the generators were installed?

HON DR R G VALARINO

Mr Chairman, no. This was due to subsequent complaints,

Sir.

HON G T RESTANO

Did the construction of this wall go out to tender?

HON DR R G VALARINO

Yes, Sir.

HON G T RESTANO

Was it gazetted, Mr Chairman?

HON M K FEATHERSTONE

We can find out for you.

HON G T RESTANO

I would like that information. The catwalk, Mr Chairman, was that not constructed in November?

HON DR R G VALARINO

It was being constructed during this period of time but the fact is that the engines had to be put there and therefore the catwalks had to be built.

HON G T RESTANO

But I remember the Minister being questioned in November and he said that the catwalks had been erected.

HON DR R G VALARINO

I do not particularly remember that but, in fact, if I do remember correctly during this time there were slight industrial problems at the time arising from the jointers so I very much doubt whether I could have exactly said what the Honourable Member is saying.

HON P J ISOLA

I think we got a figure, apart from that £27,000, we got

a figure of virement warrants which brought up the whole estimate for the hire of the generating plant £31,500 by another £65,000 and I would like to know why has the estimation been so bad, so mistaken, it seems to be, from what we were told in the House in November or December?

Secondly, I would like to know whether any of the other items above that we are asked to vote today whether there is any part of those items connected directly or indirectly with the new skid generators, the expenditure of the installing or running of the new skid generators.

HON DR R G VALARINO

The extra expenditure is due to the change of site. There is no amount in either of these votes connected with the new skid generators and in fact if the Honourable Member would wish it I would give him a breakdown on the £38,500 which was voted on yesterday, Sir.

HON W T SCOTT

If I might go back to Item 7. Purchase of Engine Spares. There seems to be an inordinate amount, in fact, of £42,000 for these spares in relation to that which was originally asked for, that is the £80,000, can we have some explanation? Has something totally unusual or unexpected happened?

HON DR R G VALARINO

Mr Chairman, my very last words were that these were additional requirements due to repairs and breakdowns.

HON A J HAYNES

Will this new building on Sir Herbert Miles Promenade be removed in the near future? Will the Promenade be restored to its previous use?

HON DR R G VALARINO

Mr Chairman, once the skid engines are removed, the Promenade will be restored to its normal use, in case the Honourable Member would like to walk up and down.

HON A J HAYNES

Mr Chairman, having introduced the Minister to aural

pollution yesterday I would like to introduce him to the aesthetics today. Is the Minister able to assure me that it will happen in eighteen months, two years or what?

HON DR R G VALARINO

Mr Chairman, it will be done as soon as possible after the engines have been removed but obviously at this stage no special date can be given to the Honourable Mr Haynes otherwise the researcher will have to do more work.

HON P J ISOLA

I am surprised that my Honourable and Learned Friend on my right should have been asked about eighteen months. We, on this side of the House, are of the feeling and of the opinion that the skid generators are likely to be with us for some considerable time so therefore we should not be asking yet when they are going to go because they have only just arrived. Mr Chairman, on the urgent repairs on the toilets/ablutions and sewage pipes, £14,000, again this seems to be an extraordinary piece of expenditure. Have there been new toilets or ablutions put in?

HON DR R G VALARINO

Mr Chairman, the toilets and ablutions were in a bad condition and the repairs and maintenance of these toilets and ablutions were absolutely necessary and that is why we undertook the work immediately, Sir.

HON P J ISOLA

What was under these toilets and ablutions that you spent £14,000, Mr Chairman? Can the Honourable Member give us some breakdown because the whole vote was £38,000 and we now require an additional £14,000. What are the nature of these urgent repairs that are being carried out?

HON DR R G VALARINO

Mr Chairman, this is being done by PWD labour, it really means major works being carried out to the toilets, new pipes, repairing and where necessary putting new ablutions and in fact generally putting them up to the required

standard. I have personally seen these ablutions and these toilets and they were certainly in a very bad condition and the money is very well spent.

HON P J ISOLA

Mr Chairman, nobody on this side of the House would refuse to vote any money to improve conditions for people working there but it seems to me that the amount spent of £14,000 would probably be for toilets and ablutions in the Ritz Hotel. The Minister has said new ablutions and that, perhaps, may be the answer. Could we ask where are these new ablutions? It seems to us that £14,000 to repair toilets and ablutions is a lot of money.

HON DR R G VALARINO

Mr Chairman, by new ablutions I meant replacement of toilets and re-tiling, repairs to sewers, etc. In all there are about twelve toilets and ablutions.

HON P J ISOLA

Let me say straightaway that as far as that item is concerned we are not convinced that £14,000 is a reasonable sum to spend on twelve toilets and ablutions. It seems to us an incredible amount of money. Perhaps my Honourable Friend Mr Restano might like to visit the Generating Station again and have a look at these ablutions and toilets, they must be tiled in gold. But anyway, the next item, Mr Chairman; I notice that there is an item regarding the supply of Electricity by Inter-Services Generating Station. For a long time we have not had any payments, the MCD used to be repaid in kind, then we got a vote for £25,000 because, apparently, they were asking the Government to pay some money since it did not look likely as if they would ever be able to repay in electricity. I notice now that for the quarter ending 31 December, 1980, the Government is paying £29,000. Am I right in thinking that this item will now appear regularly every quarter until the 2.5MW generators are in operation? I do not mean the amount but there will be an item every quarter, or is there an agreement on the matter?

HON DR R G VALARINO

The answer to the question that the Hon Member is asking is the one I gave to the House, No 34 of 1981, yesterday, when I gave a complete and detailed answer. The last part of the question, whether this would come up every quarter, this is extremely difficult to say, certainly, as I illustrated in my answer the amount that the ISGS gives to KB is higher than the amount that KB gives to ISGS therefore

there is always a certain amount of deficit at the end of each quarter.

HON P J ISOLA

We all know that the ISGS gives more to the Government than the Government gives back because we do read the Government communique which express appreciation to the ISGS for helping them out from having power cuts all over Gibraltar. What I am asking is whether the Government will now be making provision in the Estimates for an amount to pay the ISGS because this is a continuing factor, as far as we can see on this side of the House, rather than come to this House every three months on a Supplementary Appropriation Bill as if this was a once-and-for-all, ie, are we going to get sensible about this and is the Government going to make provision in the Estimates to be able to pay the Dockyard for the units that we borrow?

HON FINANCIAL AND DEVELOPMENT SECRETARY

The answer to that is, Yes, Sir.

HON A J HAYNES

Government say they cannot give a definite date as to when they will remove the building housing the skid generators but can they give me the criteria they will use. I seem to remember the Chief Minister on television saying that it would make a rather nice warehouse.

HON CHIEF MINISTER

I never said that. I think the Honourable Member must be crackers. In any case it will have to be pulled down to take the skid generators out.

HON A J HAYNES

The engines will be returned to the owners when the new Generating Station has been built. Will Government undertake to remove that building if and when the new Generating Station has been put in operation?

HON CHIEF MINISTER

The answer to that is No, Sir, because we have already given that undertaking and we do not have to repeat it. The idea of putting the skid generators on the Boulevard at the time was taken to be purely of a temporary nature and as soon as the emergency that required them was over they would be

removed and the whole of the promenade would be restored including the one bench that people were deprived of for watching the activities in the court below so that really the answer to that is that as soon as the power is not required the end of the contract for hiring will arrive and the removal will come but prior to that the wall will have to be pulled down.

HON P J ISOLA

Is the Honourable and Learned the Chief Minister saying then that notwithstanding that the two 5MW generators are in operation it may be that the skid generators may still be required?

HON CHIEF MINISTER

What I have said is that it could be possible that we might not need the skid generators before the two new engines are installed.

HON G T RESTANO

Can the Government confirm that the eighteen months' hire of the generators plus the extra funds that have been asked for in respect of the generators at this meeting now amount to approximately £270,000? So that if there are no further expenses involved then it would be alright but if there are any further expenses involved we will be getting very, very close to the figure that we would have had to pay if we had purchased those generators outright.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, all I wish to say is that whether we bought them or whether we hired them we would still have had to pay another £42,000 because they were sited on the Bastion.

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

Item 3 Head 5 - Fire Service, was agreed to

Item 4 Head 6 - Governor's Office, was agreed to

Item 5 Head 7 - House of Assembly. was agreed to

Item 6 Head 8 - Housing was agreed to

Item 7 Head 9 - Income Tax Office

HON P J ISOLA

Are tax tables printed every year?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, Sir, they are only printed if there is a change in the tax allowances or the rates of tax. If the Honourable Member will remember, we changed the allowances so we had to reprint. Why it has come in at this last moment is that I refused to put forward a supplementary appropriation until I was satisfied that the Commissioner of Income Tax could not find savings to meet the cost. He could not and that is why it has come forward now.

HON P J ISOLA

Can we look forward to further printing?

Item 7 Head 9 - Income Tax Office. was agreed to.

Item 8. Head 10. Judicial. (2) Supreme Court. was agreed to

Item 9. Head 11. Labour and Social Security. was agreed to.

Item 10. Head 14. Medical and Public Health. was agreed to.

Item 11. Head 16. Port

HON A J HAYNES

Could the Minister give a more detailed explanation of the surveys carried out?

HON A J CANEPA

This is a regular practice in the Port. There is a Surveyor and we pay him and more surveys have had to be carried out than was provided for in the Estimates. We get revenue in return but we have the services of a Port Surveyor throughout the year and we pay according to the call that we make on his services. We have had to call on his services more than anticipated so we have to pay him more by way of fees. These are fees for surveys that have had to be carried out of ships so that they meet the requirements about safety and other conditions which are laid down.

HON A J HAYNES

Again, can we have a fuller explanation of the areas where berthing has been made available by the Admiralty and for what kind of ships?

HON A J CANEPA

No, I am sorry, Mr Chairman, I think the Honourable Member does not realise that when I come to the House for a supplementary which arises because more ships arrived in Gibraltar and used berths, I cannot come armed with the kind of details that he is after as to what ships have berthed where and as a result have produced what revenue or what expenditure we have to pay the MOD. We estimate at the beginning of the year, when the Estimates are drawn up, we estimate that £58,300 are going to be paid to the Admiralty based on the number of ships that you anticipate are going to call in to Gibraltar. If more ships call then, by agreement with the Admiralty in respect of the use of the berth, we have to pay the Admiralty more money but of course that is more than offset by what we collect by way of port charges and tonnage dues from the extra ships that are calling. Perhaps I can give details when one looks over the whole of the year in retrospect and report to the House; but that appears in any case in the Annual Report of the Port Department and the Report for 1980 is already in draft form and will be published shortly. I cannot come to the House when there is a supplementary and give the kind of details which I think is of a more general nature than the Honourable Member is after, I am sorry.

HON A J HAYNES

Can the Minister at least tell me which part of the port is loaned to us by the Admiralty?

HON A J CANEPA

The whole of the North Mole and part of the Detached Mole, the northern half or so of the Detached Mole.

HON A J HAYNES

Is any other area included in this or not?

HON A J CANEPA

Perhaps under the rent, yes, there is the jetty in the North Mole, the Detached Mole and perhaps the Camber may also be included under rent.

HON P J ISOLA

As far as the North Mole is concerned, is it on a rental basis, not on a berthing basis, or is there a bit of one and a bit of the other?

HON A J CANEPA

The extra is probably because of greater use made of the Detached Mole.

Item 11, Head 16 - Port, was agreed to.

Item 12, Head 18 - Prison

HON W T SCOTT

On subhead 1, is there a need to increase the staff of the Prison due to the reasons given?

HON MAJOR F J DELLIPIANI

There is going to be an increase of one arising from staff inspection.

HON A J HAYNES

Could we be informed of what it costs to keep one prisoner?

HON MAJOR F J DELLIPIANI

Between £6,000 and £7,000 a year per prisoner.

HON A J HAYNES

And for what period is this increase?

HON MAJOR F J DELLIPIANI

Till the end of the financial year.

Item 12, Head 18 - Prison, was agreed to.

Item 13, Head 20, Public Works Annually Recurrent

HON W T SCOTT

Mr Chairman, yesterday we had a re-allocation of £83,000 on sick leave under Public Works Annually Recurrent. Here we have an extra £13,000 making a total figure just over £100,000 which seems to us to be a particularly large figure. Can I ask the Government whether they have taken due regard of this in the Estimates for next year so that they do not come next year with a figure of this nature.

HON M K FEATHERSTONE

We cannot, of course, anticipate what the sick leave is going to be next year but we monitored the sick leave throughout, in fact, we monitor it every week. Throughout the calendar year of 1980 accumulative average of days lost per man was taken and if this was put in the form of a graph it became after the first few weeks almost a straight line graph which hardly varied from week to week and it is averaging out that every man is taking approximately .3 of a day sick leave per week, which is running somewhere around 13.7 days per year. This is higher than was estimated. We have tried considerable disciplinary action to cut this down. A number of people have had their sick leave privilege removed, 34. We have also issued warnings to some 66 in the first stage and 12 in the second stage. Recently we put a few men in the situation that if they continued they would be dismissed and we have to go through a rather cumbersome disciplinary procedure before we can do it but we are keeping very much on top of this. We hope that next year the incidence of sick leave, because of the measures we are taking, should drop and we are going

to budget in the Estimates for what we consider will be a reasonable figure but this is of course something which is entirely beyond our control.

HON W T SCOTT

I notice under Item 20 - Operation of Distillers that we have a figure of £93,000. Increase in cost and fuel, power and sulphuric acid for the operation of distillers but yesterday we were told that the North Front distiller had been out of operation for over seven months. Can we have an explanation of this?

HON M K FEATHERSTONE

The North Face Distiller may have been out of operation but the VTB, as I said yesterday, has been working very well from about May or June and the total production through the year was considerably more than the year before. The situation is, of course, that one makes one's estimates roughly in December of any year and one's estimates are then based on the current cost of oil, power, acid, etc. Throughout the year it is always possible that the cost of these commodities may rise and throughout 1980 the cost of oil alone rose by over 20% and this of course is where we have to come back for the extra money.

HON W T SCOTT

I am fully aware of that, Mr Chairman, but how can we justify an under-estimation of £93,000 and yet have one of the distillers out of operation for seven months, is there not a gross under-estimation here?

HON M K FEATHERSTONE

I would not call it an under-estimation. The difference between the total at the end of the year and the estimated figure at the beginning of the year is entirely due to the increased costs of fuel, etc. If fuel had not gone up in price we would have kept within the original estimate.

HON P J ISOLA

On the question of the importation of water, is there likely to be an increased use of this facility during 1981? Is there more and more reliance on importation than on the distillers, is that the situation that is developing?

HON M K FEATHERSTONE

As I said, I think, yesterday, we still hope that some rain will come before the end of what is known as the rainy season. Obviously, if it does not rain the situation in this general area is such that there will be a scarcity of water, it will mean that our wells will not be able to produce as much as they should produce in a normal year, it may also mean that the area from which we are importing at the moment also finds that they suffer from shortage of water and therefore we cannot very easily expect that we could import all water from this source. There is, of course, a possibility of importing from other sources but although we have already made enquiries about it the cost is going to be very, very high indeed.

Item 13, Head 20 - Public Works Annually Recurrent, was agreed to.

Item 14, Head 22, Secretariat

HON FINANCIAL AND DEVELOPMENT SECRETARY

On Subhead 4, a point of explanation. One of the largest items in the £520 was the repair of electric typewriters. The Ministry of Defence has to repair these, they did not bill us for two years, it has just come in and it is £334. This should have been mentioned in the explanation and I apologise for the fact that it was not.

HON G T RESTANO

Item 7 - Rent of Flats and Offices. Can the Government say what these increases in rents were due to?

HON FINANCIAL AND DEVELOPMENT SECRETARY

It is an increase in the rent charged by the persons letting flats and accommodation to the Government. Rents have gone up from £50 a week to £75 and in some cases to £80 a week.

HON G T RESTANO

These were not rents which were under contract?

HON FINANCIAL AND DEVELOPMENT SECRETARY

It is when the contract runs out that the rent can be put up and also, of course, there are the charges, they work out on a pro rata basis on a block of flats and we have to pay the charges which the management levy on each flat for communal services provided to a block of flats.

HON G T RESTANO

In those blocks of flats, how many flats are rented by the Government? Does the Government rent the majority of those flats?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, I can only speak for the flat that I was living in at Rosbay Court and certainly the Government had less than 20%, I would have thought of the total number of flats. As to the rest I have no idea.

HON J BOSSANO

Does the Government think if it is suffering these exorbitant rents itself in respect of the tenants that are Government employees, there is all the evidence that it requires for something to be done to control this and in fact the Government by being willing to pay £70 and £80 rent for a flat are making it impossible for local people who wish to rent accommodation because they are unable to get a Government flat, to get those flats for anything less because they are being driven out by the competition by the Government itself.

HON CHIEF MINISTER

I did say, I think it was in the course of a TV interview, that we were thinking about this. We have to be careful because if there is too heavy a control then there would be no incentive for people to build and let flats as a commercial enterprise so we have to measure both sides. I think there should be some criteria as to the maximum to which certain flats, particularly having regard in some cases, I am not saying in these cases, should be let. In the case of flats in post-war buildings then of course there is the element of incentive whether they would extend the investment in this kind of thing, we might find ourselves without them but I agree that it requires looking

into and I did say that we would look into it.

HON J BOSSANO

I know it is not directly related to this matter but I think it is an opportunity to mention it. Is there any requirement to register the rents or anything like that? As a first stage, whether the Government is at this stage simply considering, should they not be attempting to establish the magnitude of the problem or by regulation require people to register their rents with the Government even if they are not controlled at this stage?

HON CHIEF MINISTER

There is no registration in fact, even of the controlled rents, you only do that by reference to the rateable value in May 1940, as to whether they are controlled or not. I do not think that we would have much difficulty in finding out what the standard is because the bulk of them are run by what are now one or two important property companies and others who would give us the necessary material before we discuss the question of control.

HON G T RESTANO

Would the Government not agree that £3,300 maintenance charges for eight flats which comes out to nearly £8 a week for maintenance charges is excessively high?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I think the Honourable Member has misread the note. There is a semi-colon after the eight additional flats £13,300; and increase in maintenance charges. That is the maintenance charge for all flats.

HON G T RESTANO

How many flats would that be?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I think it is flats in Seclane House and others where we have a major tenancy but I could not say off-hand, I would have to let the Honourable Member know in writing.

HON W T SCOTT

On Item 9. Can I ask the Government whether these 1,000 copies of a Belgian magazine containing the article on Gibraltar were distributed to?

HON CHIEF MINISTER

Quite a number of these are in the Tourist Office and used by the Tourist Office. Some of them have been sent to Tourist Office in London and some are kept by the Press Office here and some have been sent to Tangier and are distributed as and when material is asked for about Gibraltar. We still have a few in stock but buying less would have been much more expensive.

HON W T SCOTT

I am grateful to the Honourable and Learned the Chief Minister, Mr Chairman, but what I am really asking is that they are open to anybody to ask for them, but were any sent to influential individuals or departments in Government etc?

HON CHIEF MINISTER

Departments of Government have all got them. I do not know whether the Government has distributed them to the people normally in the distribution list for other material, I shall certainly make sure of that. I hope all members had a copy at the time and if they have not then that is something we have to remedy. It is very comprehensive and I shall certainly see that Members receive a copy of it. It is in French, of course.

HON G T RESTANO

There is quite a massive increase of £22,000 for printing, stationery and the use of photocopying machines. What I would like to question is whether there is sufficient economy consciousness on the use of photocopying machines. It is very easy when one has a photocopying machine to make excessive use of it and I wonder whether economy could be very much in the mind of the Secretariat.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, Sir, when this figure was brought forward the Government instructed that an instruction should go out to all staff to economise in the use of stationery and of photocopying. It was felt that there were far too many photocopies being made. The Member has a good point but we have, in fact, picked that up already.

HON G T RESTANO

But we still have to pay £22,000 extra?

HON W T SCOTT

On a point of clarification. The Government photocopying machines, presumably, are rented?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, most of the machines are hired and we are taking a close look at whether we are hiring too many or not in the context of the Draft Estimates.

Item 14 - Head 22, Secretariat, was agreed to.

Item 15 - Head 24, Tourist Office (1) Main Office and (2) London Office, was agreed to.

Item 16 - Head 25, Trading Standards and Consumer Protection

HON J BOSSANO

I am not quite clear what it means, it says the Consumer Protection Officer's contract has terminated under Technical Co-operation and that the incumbent was offered an extension under USAS terms. Does that mean that we are now completely responsible for paying him?

HON A J CANEPA

I am afraid we have not been successful in persuading the ODM to continue to pay for the salary of the officer under Technical Co-operation and we need to have this officer in post for another year because it will not be till the summer of this year that the newly-trained Trading Standards Officers, Gibraltarian Trading Standards Officers, will be returning to Gibraltar. In fact, at the moment the only Trading Standards Officer that we have in post is the Consumer Protection Officer himself because the contracts of the two Trading Standards Officers have ended and they have not been renewed, so we have a period at the moment between now and the summer when this is the only Trading Standards Officer that we have, between the summer and December of next year when, hopefully, the two newly-trained officers return, they should be working under some supervision and therefore the intention is to extend the

contract under GSAS terms at our expense of the officer in question till December. The £3,400 is only to the end of this financial year and therefore there will be substantial provision in next year's estimates to cover the salary and then after December the likelihood, I would imagine, will be that the post will be localised.

Item 16 - Head 25 Trading Standards and Consumer Protection, was agreed to.

Item 17 - Head 27 - 1980 Pay Settlement, was agreed to

Item 18 - Head 28 - Contributions to Funded Services

HON G T RESTANO

Is it not unusual for us to have to meet the deficits before the Budget? This is the first time that I can recall that the deficits have been brought in at this stage, can we have an explanation on all three?

HON FINANCIAL AND DEVELOPMENT SECRETARY

In looking at the way in which the funds are running for the financial year 1980/81, it became quite clear that there were deficits, in some cases fairly substantial deficits, in certain of the funds and in my view it would have been wrong to carry these forward into 1981/82 knowing full well that there is very little chance, in fact no chance at all, of meeting them by increased costs as they were so substantial and so I advised the Government to clear off these deficits by the end of the financial year so that when we come to the new financial year we shall be starting forward with no great balances carried forward.

HON CHIEF MINISTER

This complies also with the recommendation of the Public Accounts Committee that we should get all Supplementary Estimates in a March meeting before the end of the year.

HON P J ISOLA

Mr Chairman, there is one fund there, the Housing Fund, where I notice that supplementary provision is double what was in the Estimates. It happens to be exactly double. What is the reason for that, may I ask?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Two main reasons, Sir. First of all, the deficit brought forward from 1979/80 was about £125,000 more than projected and, secondly, there have been increases of some £600,000 in the maintenance cost of housing. These are supplementary provisions voted by the House for the maintenance of the Government housing stock and it is that which has pushed up the cost enormously.

Item 18 - Head 28 - Contributions to Funded Services, was agreed to.

Schedule of Supplementary Estimates Consolidated Fund (No.4 of 1980/81), was agreed to.

Improvement and Development Fund - Schedule of Supplementary Estimates (No.4 of 1980/81).

Item 1 - Head 110 Electricity Service

HON P J ISOLA

Could I ask, there is £605,000 going to be paid as a down-payment in connection with the new Government Power Station of which the cost of the project is £7.3m. The additional 5MW generator, what amount does that represent of the cost of £7.3m? Has the Government got a costing of each generator and the three parts of the contract? Is there a reduction in the additional one?

MR SPEAKER

I think this was touched upon yesterday, if I remember rightly. I think the information was given yesterday when the statement was made.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Speaking from memory, the cost of the second generator was some £1.2m and the additional ancillary works which had been agreed to was about £.35m. The additional cost of these two new elements is about £1.5m. give or take a few pounds.

HON P J ISOLA

Perhaps we could have the reason for having to make a down-payment..

HON FINANCIAL AND DEVELOPMENT SECRETARY

Yes, Sir. The Minister, in making his statement yesterday, mentioned that we were obtaining the financing on supply finance for the United Kingdom goods and services. One of the requirements of the United Kingdom financial institution which grants favourable terms for United Kingdom goods and services is that 15% of the contract price should be paid thirty days after the signature of the contract and in this event the amount to be paid by the 27th March is £1,007,061. Honourable Members will recall that in the Estimates we projected £.5m. as a down-payment and we need £.6m. to bring it up to pay the £1,007,000 and also the fees of the consultants which will have to be met for work done so far.

Item 1 - Head 110 - Electricity Service. was agreed to.

Item 2 - Head 112 - Telephone Service. was agreed to.

MR SPEAKER

As a result of the amendments which have been carried I think the Honourable Financial and Development Secretary should move that the Schedule should be amended by the deletion in Head 4 of the figure £116,400 and the substitution therefor of the figure £112,600, if he agrees with my mathematics, of course, and the deletion of the figure £1,983,522 and the substitution therefor of the figure £1,979,922. Is that correct?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Thank you, Mr Speaker, I so move.

Clause 2

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, I beg to move that the figure of £1,983,522 in the penultimate and final line of the Clause be amended to read £1,979,922.

Mr Speaker then put the question in the terms of the Honourable Financial and Development Secretary's amendment which was resolved in the affirmative and Clause 2, as amended, was agreed to and stood part of the Bill.

Clause 3, was agreed to and stood part of the Bill.

Clause 4

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, I beg to move that the sum of £1,983,522 in lines 2 and 3 of Clause 4 (1) be amended to read £1,979,922.

Mr Speaker then put the question in the terms of the Honourable Financial and Development Secretary's amendment which was resolved in the affirmative and Clause 4, as amended, was agreed to and stood part of the Bill.

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

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

THE STAMP DUTIES (AMENDMENT) BILL, 1981

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

Clause 2

HON ATTORNEY-GENERAL

I beg to move the following amendment, In Clause 2, to add after the new paragraph 2 the following paragraph:

"3. Any instrument transferring or assigning to or from a unit trust (as so defined) any marketable security or otherwise making any disposition of such a security to or from a unit trust, - provided that in every such case the security relates to or represents an asset situated outside Gibraltar."

Mr Chairman, the effect of the amendment would be to enable a unit trust which deals in securities, as distinct from the units and the trust itself, to deal with those securities provided they relate to assets outside Gibraltar.

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.

Clause 3, was 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 Savings Bank (Amendment) Bill, 1981; the Employment Injuries Insurance (Amendment) Bill, 1981; the Merchant Shipping (Amendment) Bill, 1981; the Supplementary Appropriation (1980/81) Bill, 1981 and the Stamp Duties (Amendment) Bill, 1981, have been considered in Committee and agreed to. In the case of the Supplementary Appropriation (1980/81) Bill, 1981 and the Stamp Duties (Amendment) Bill, 1981, with amendments and in the other cases without amendment and I now move that they be read a third time and passed.

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

#### HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, Sir, would I be out of order if I answered a point which was raised by the Honourable and Learned Leader of the Opposition on the Supplementary Appropriation Bill, Clause 5?

MR SPEAKER

Most certainly, yes.

#### HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, Sir, I mislead the House and not only that but I had the temerity to suggest that the Clause is there because it had something to do with their salaries. This is a heinous crime for which I apologise most humbly. In fact, under the Public Finance (Control and Audit) Ordinance, there can be no virement between heads of expenditure but since 1979 when we had the introduction of pay increases during the course of the year, we were not sure what these would be. We introduced the new head from which we vire to each other head for salary increases and in the final Appropriation Bill for the financial year we put in the Clause empowering the Financial and Development Secretary to vire from the head to the salary increases to all other heads. That is the reason, and again my apologies for misleading the House.

The House recessed at 1.10 p.m.

The House resumed at 3.40 p.m.

### PRIVATE MEMBERS' MOTIONS

#### HON P J ISOLA

Sir, I have the honour to move the motion standing in my name which reads: "That this House is concerned on all aspects of drug trafficking and abuse and resolves that a Select Committee of the House be appointed with the widest possible terms of reference to consider all aspects of the drug problem and to make recommendations".

Mr Speaker, during the last two years, I suppose one could say, one has seen the problem of drugs come more to the fore. In particular, and this is a matter that must be of great concern to all members of the House, the name of Gibraltar has tended to be coupled rather more and more with the idea that something goes on from Gibraltar as far as drug trafficking is concerned. This is the main reason, may I say, for proposing a motion in this House that the Members of this House should form a Select Committee to investigate the matter because although, for example, the question of control of trafficking is probably a matter for the Police and the Customs and to a certain extent is what one would call a non-defined domestic matter, although that is true, on the other hand, at the end of the day the good name that suffers is the good name of Gibraltar and that is a matter of very great concern to the elected representatives of the people and that is why I think that there is a need to show that we are concerned about the problem that exists, that we ourselves want to look at it, we ourselves want to see what is being done about it and finally, we ourselves should see whether there is any recommendations that should be made in our legislation to control it and to show that Gibraltar has no desire whatever to be linked with any sort of drug trafficking in any part of the world. We are concerned and must be concerned, Mr Speaker, at the fact that the name Gibraltar seems to come up now and then, fortunately it is not with monotonous regularity, but it seems to come up now and then on occasions when there are big drug hauls and certainly I think we would all wish to reassure not only Governments outside Gibraltar but also the people of Gibraltar themselves that we will do everything we can do to stamp out what is clearly and obviously a detestable form of earning a livelihood or doing business which relies

on the weaknesses of other people, which relies on the addictions of other people and which thrives on misery, because that is all what it is about. As I say, that is the main reason for my bringing this motion. It is important enough to the community of Gibraltar as a whole to merit a Select Committee investigating the matter on behalf of the House and reporting the recommendations, that is the main reason. Mr Speaker, there is also the other reason, there is, undoubtedly, because there is so much trafficking or whatever you would like to call it, obviously, some of it has to rub off in Gibraltar and there is no question about that there is, judging from the prosecutions that are occurring constantly in Gibraltar, there is apparently a problem within Gibraltar of drug abuse and that, of course, is a matter that must also concern members of the House. I know that the Police have quite properly and rightly formed a drug squad to deal with this aspect of the problem but I think that we as Members of the House and representatives of the public would wish to be reassured that everything is being done to stamp out drugs not only in the trading of it outside Gibraltar or from Gibraltar but also within Gibraltar. In moving this motion I have suggested a Select Committee to deal with the matter because it is simpler for three members of the House, I do not think it would need a larger Select Committee, three members of the House to sit round and see the problem, ask for evidence, and make recommendations. The questions that I would have thought and I ask for the widest possible terms of reference because I think this Select Committee should be free to investigate and look at any law that deals with drugs, one that immediately comes to mind as far as I am concerned is the provisions of the Merchant Shipping Ordinance, and the Port Ordinance, as to whether there can be legislation passed to curb certain activities known to us all in the House that occur and apparently are able to occur with impunity because of the rules of the sea, international waters, and so forth. I think they ought to be looked at, I think it is possible to control abuse, put it that way, abuse of our Port, abuse of the facilities that exist in Gibraltar, abuse of our democracy for the purpose of gain. I think there may be a way and this is what I would like to see investigated by which this trafficking or these activities can be curtailed. I do not think there is anybody in Gibraltar who would not wish to see something done about this and if we can I think we should and I think the appropriate place to consider the matter is in a Select Committee of this House which can call in the various people who are involved in trying to stamp out this trafficking and who may feel they are somewhat constrained by the existence of particular laws. I think that the sooner we get down to looking at this matter and doing something about it the better. Let me assure the

House that it was quite fortuitous that my motion went down on the same day as the particular tag was arrested in the Straits, it was quite fortuitous that both came on the same day. We had decided that we should put a motion down on this and we had decided that we should invite the House to approve a motion of setting up a Select Committee to see what can be done about these matters. I do not think I have anything else to say, Mr Speaker, at this stage. I commend the motion to the House.

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

#### HOW CHIEF MINISTER

Mr Speaker, whilst I agree with the spirit of the motion proposed by the Honourable Leader of the Opposition and fully share his concern about the good name of Gibraltar, I must say that I am somewhat disappointed, I thought he would have produced a much more convincing statement in support of the motion of a matter which is of a much wider implications that the short references that he has thought fit to make. As I say, we fully share his concern and I think we should go a little further because we have been concerned with this matter as well for a long time. I would like to say now that certainly at this stage and subject to what I have to say about the matter, we do not think that a Select Committee is the best way of dealing with it, certainly not at this stage. I do not think with respect, Mr Speaker, that members of this House are in a position to consider all aspects of the problem and to make recommendations.

It is the experts in all these aspects, those dealing with the problem from day to day, who should be asked to consider what further steps might be necessary over and above the measures already in force and to make recommendations accordingly. Once that has been done the Government can look at the matter and then, perhaps, in this House we can best decide how to proceed with it. This is a matter of concern to all, we have not had any advance information nor has there been any consultation with the Government about the motion so of course we are perfectly entitled to take the view that this is a matter that must be looked at in the broadest way possible as is the responsibility of Government to do. The drug problem of course is not a political party issue and therefore I think we can all discuss the best way of dealing with this matter and one would wish there can be full consultation all the time and co-operation as necessary between the two sides of the House. I undertake that I will keep the

other side of the House informed of any developments and will arrange for consultations whenever appropriate. The House must appreciate that the responsibilities on this matter overlap as the Mover has just partly mentioned but I must spell it out in a little more detail. While Ministers are not responsible for Police or Customs, they do have a responsibility for public health as well as for ensuring that the legislation is adequate and that funds are made available to enable departments concerned to carry out their duties effectively. These are matters in which the various departments are in a better position than Members of this House to formulate recommendations, in other words, the officials and other agencies involved, and there are many which I will name, are the ones that should identify whatever problems exist and what improvements are possible so that decisions can be taken to remedy what is necessary if it is necessary in relation in particular to further legislation or increased expenditure. For this reason and also because of the nature of the problem, it seems to me that a Select Committee is certainly not the answer here unless we did not come out with right answers otherwise. Apart, of course, from the fact that I do not know how quickly a Select Committee could act now particularly with resources available, with the sitting of the Public Accounts Committee and also now with the Select Committee on the Matrimonial Causes Ordinance which will no doubt take a long time, with members of the House and particularly with the staff who have to service it. It is no use having meetings if they are not as excellently serviced as we have been used to and hope to continue to have excellently serviced in the future. I do not think Honourable Members opposite are not aware that the newspaper VOX has been waging a campaign on the drug problem in recent weeks. The Editor sought an appointment with me and at a meeting I held with him on the 27th of February I said that because it involved non-defined domestic matters, particularly Police and Customs, I would take up the matter with the Governor so that the various aspects of the problem might be reviewed and I might be informed more fully of the situation. I raised this matter with the Governor shortly before his departure for the United Kingdom recently, on the 5th of March, and requested that steps be taken to ascertain whether new or more intensive measures are required to deal with the problem and whether the necessary legal and financial provisions were adequate. I also asked that the Misuse of Drugs Advisory Council be re-activated. I should make it clear that the scope of the problem is of course well known to the Government. The Customs, the Police and the Medical and Health Departments have all acted within their respective fields of competence as have the Departments of Education and the Department of Labour and Social Security so far as health education on the problem of drugs and the care of young people are concerned. Consideration as to which further measures are to be taken is at present focussed on consideration of the report by the British Medical Association Working Committee of the local branch which was

set up in 1979. The comments of all the Government departments concerned have been sought on the report and only the Department of Medical and Health Services is still outstanding. When all the comments have been received the Deputy Governor will chair a meeting of officials to consider what recommendations for action in the Committee's report might be made to the Council of Ministers and to Gibraltar Council. The Government is grateful to the British Medical Association and others concerned with the work that has already been done and will continue to maintain contact with the Association if necessary. The question of drugs, as the House will appreciate, has got two distinct aspects of the problem of illicit dealings in drugs. The first is I think, the way that has been highlighted by the mover which is the criminal activity in or around Gibraltar concerned with the transfer of drugs almost always on the way from Morocco to Spain and also in respect of vessels that carry drugs in big quantities which have subsequently been arrested off the British Coast and found to contain Cannabis, as is the case which the Honourable Leader of the Opposition mentioned, is one aspect only. Another is the discovery in Gibraltar water of consignments of cannabis which are mainly intended for Spain and which, if they find difficulties on the way they try to dispose of them somehow and we have had in recent months huge quantities brought ashore by the currents and that is because they have not either properly put down the buoys or because they have had to get rid of them before being apprehended. But the second kind of criminal activity is the importation into Gibraltar of drugs and drug abuses within Gibraltar itself. The Attorney-General has details of both kinds of activity over the past few years. It shows that discovery of quantities of drugs off the Gibraltar coast has increased dramatically over the past year. It is believed that most, if not all of these consignments were destined for Spain and other neighbouring countries. On the other hand the number of cases of possession and trafficking of drugs within Gibraltar declined in 1980 as compared with 1979 so the indications are that 1981 is again a bit on the uphill and perhaps it will pick up with 1979 again. I think it is important that the distinction should be made between the drug problem inside and outside Gibraltar and this should be emphasised. We have a part to play in combatting drug trafficking outside Gibraltar largely through the Customs and Police and will of course, continue to play it but I think what is in many people's minds, the main concern is the abuse of drugs within Gibraltar mainly by young people. As I have said, I will keep the Honourable the Leader of the Opposition and other members informed of the developments in this matter and I will certainly do so as soon as the recommendations for action on the British Medical Association Working Party report have been made and considered and perhaps that would be a better time or a more appropriate time or perhaps the best next appropriate time in which to discuss the matter.

Mr. Speaker, I regret that the Chief Minister does not believe that it is appropriate to appoint a Select Committee to handle the drugs problem and rather he would rather hand over the problem to a team of experts for their recommendations and without questioning the bona fides of such a move I do believe that it is misconceived. I think a Select Committee could serve a much more useful purpose. One, it shows that we have not abrogated our powers, that we insist on handling a problem of this severity ourselves and that we are competent to do so. A Select Committee can act with speed and efficiency and I do not accept the excuse that the House already has too many Committees. The Leader of the Opposition has said a committee of three would suffice. That Committee could call in the experts it considered necessary and it could treat the problem as a political problem in its global sense and not just as a psychiatrist or psychologist would treat it in terms of rehabilitation, the Committee could deal with the problems throughout the spectrum of the drug offences.

The Chief Minister's reference to the Attorney-General is relevant. The Attorney-General's speech at the opening of the Legal Year was concerned primarily with drugs and with the determination to be more vigilant in this field and yet we have heard that there has not been a decline in the drugs that are passed through Gibraltar though not for Gibraltar consumption. Perhaps, if there was a down market statistics for local offenders or local people caught in possession it is perhaps because they were in 1980 in jail but there is nevertheless a hard core of youth in Gibraltar who are recidivists, who are forever appearing in one Court or the other for similar offences. For small amounts they appear in the Magistrates' Court and for larger amounts they appear in the Supreme Court. I think all the lawyers in Gibraltar have had dealings with these people, they are a fairly sorry lot at the moment. They are unable to break out of this vicious circle and we have seen no diminution in their numbers, nor have we seen any efforts made by Government to rehabilitate them. If I may concern myself primarily with the local aspect of the point, Mr Speaker.

Again, from court experience, the Police have given evidence to the effect that they estimate 15 kilos of drugs are consumed locally per week and the value of this consumption is approximately £17,000. The local consumption alone is worrying. Admittedly, the local problem is confined almost entirely to cannabis resin and other

cannabis products and they are all Moroccan drugs. These are, therefore, what are considered soft drugs but nevertheless though they are not the most dangerous of drugs, although the vast quantities of drugs that have been washed on our shores are not believed to have been destined for Gibraltar, those drugs which we do know are for local consumption are of a substantial size. It is therefore our duty to either contain the problem or to reduce it. I do not believe that this will be achieved unless this House takes strenuous measures. All Departments the Attorney-General's, the Police and the Customs will need the backing of this House and how better to give it than with a Select Committee which can be that much more effective that much more persuasive and can cut through red tape, so to speak, and also be above party politics. We know that however much we are in agreement on a subject when we are debating in open House there is not the same relaxed approach which is necessary in order to be truly above party politics. I think a Select Committee is the only way we can achieve these aims.

If we do not contain the problem we run the risk that this primarily small drug problem of cannabis resin could escalate into something rather more severe. As I have said before, there is a band of youths in Gibraltar who are not just habitual smokers but who are also criminals and that criminality is primarily concerned with drugs, either they are criminally charged with being in possession of drugs or as a result of that desire to buy drugs they indulge in small criminal activities. Apart from that rather distressing band of habitual smokers there is a much larger part of the population which does partake of drugs but does not allow these drugs to result in criminal activities. But this small band of recidivists could quite easily, I do not think you have to agree with my full analysis on the psychology of drug smoking, but these people are ostracised enough from our society to be just one step away from taking much harder drugs. I think this is where the wider ambit of the drug problem comes into it. We are getting a bad name in the rest of the world and Gibraltar's geographical position is such that we are beside one of the number one exporters. It is inevitable that with our contacts with Morocco that we should be painted with the brush of traffickers and if this branding, which for the most part is unfair, should be taken seriously by the wrong people, it will attract them to Gibraltar to further their own illicit business and if we start importing into Gibraltar rather sinister characters who want to continue the drug trade we may well find that not only do we have a cannabis problem but we have a heroin problem or a morphine problem or a cocaine problem or an LSD problem and these drugs are quite easy to introduce into Gibraltar, they are not more bulky than

cannabis, they are not more difficult to introduce and all they require is a start and then we will find that we have not only an international problem but a very damaging local problem. The possibility that this exists should excite even this rather complacent Government into activity. I know that they say they are very concerned with our youth though we never see any results and on this occasion I ask that they do show some concern for our youth and it is our youth that we are concerned about, it is the youth who primarily are the victims of drugs and in this House I have repeatedly asked for a rehabilitation centre to be introduced to combat those of our society who are victims of drugs and perhaps a Select Committee in its reference to the local problem would consider the advisability or the need for a rehabilitation centre. I will not deal with it in such a maverick fashion as Government have dealt with my questions. If we allow the drug problem locally to escalate we will be attracting an extraneous criminal body to our town and this if it means the advent of heroin in our streets is not only deplorable for its sake but it will result in violence. Heroin inevitably brings violence, either the smoker or the addict will become violent in their search for more drugs or those in the trafficking trade in efforts to resist capture or to ensure payment, will resort to violence. I think we can prophecy, we can foresee violence in Gibraltar emanating from the drug problem. If Government therefore is in agreement with us in our concern over the drug problem and I readily accept that they are and it has been shown by the Attorney-General's firm commitment in a crusade against drugs, then why should Government not make every effort to stop drugs? Why not use the opportunity of a helpful Opposition, why not use the opportunity to have our help in a Select Committee, why not show that you are genuinely concerned and are willing to act on the matter? It is a thorny problem but the nettle must be grasped.

Sir, I commend the motion.

HON ATTORNEY-GENERAL

Mr Speaker, I can appreciate the concern of the Members about the problem of drugs but I myself would not be in favour of a Select Committee to be appointed to investigate the drug position because to me it implies two things. First of all, it implies that nothing is being done about drugs at the moment and that the Government is not supporting action against the drug problem at the moment and I cannot agree with that. Things are being done to

combat drugs, drugs are a very serious problem, one can never be complacent about it. I would not say there are not things that cannot be looked at and improved but nevertheless there is a genuine and a continuing fight going on against the drug problem. Secondly, another reason why I would not be in favour of a Select Committee is not because the Committee would not be competent to look into drugs but rather that it is not appropriate at this time for a committee to do so. I agree with what the Chief Minister has said, I think that at this stage it is a matter which officials must pursue and those concerned with the enforcement of the law and of course it is a wider problem than just the enforcement of the law, it is a problem also of remedial action, rehabilitation action but I think at this stage it is essentially a matter which lies at that level for action so I myself would not favour the appointment of a Select Committee. In so far as the law in Gibraltar is concerned as it stands at the moment, as has already been indicated it addresses itself to two things, if I can deal with the criminal side of it. The first is the prevention of abuse caused by drugs and is directed towards the people who become addicted to drugs and the second which is necessarily if you are going to have an effective policy, is necessarily a back-up to this, is of course tackling trafficking in drugs. Abuses, primarily, in so far as Gibraltar is concerned is an internal problem, the point has already been made. I think one also has to acknowledge that abuse is also an international problem and because of the nature of drugs it is important that there should be international co-operation and Gibraltar has a part to play in this. Trafficking can be directed towards feeding the addicts in Gibraltar and of course the point has also already been made that trafficking can also be directed towards supply between third countries. Our law at the moment is primarily the misuse of Drugs Ordinance of 1973 and it tackles the various elements which go to make up the offences relating to drugs, starting with possession, dealing also with productions, importation, exportation, possession with intent to supply and the actual supply. In so far as the law is concerned at the present time, looking at the law as such, the maximum penalties are, in the case of importation, exportation, intention to supply and actual supply, fourteen years' jail. I know we hear from time to time when we read overseas newspapers that other countries have very tough laws going as far as the death penalty. One may have one's views on that but I myself think that fourteen years' jail, if one takes time to consider it, is a long sentence and I have got no reason at all to believe that, fourteen years is not an adequate sentence. From this point of view, from the point of view of existing penalties

I do not believe that there is any need to increase those penalties. My Chambers do not find in practice that the penalties in the present law are not adequate to deal with cases once we have cases referred to us. We feel that the existing machinery for prosecuting cases and particularly prosecuting cases of trafficking, is adequate and I would not myself propose any changes in that respect. It may be for consideration that there are matters of machinery which could be improved, that is always the case with the law, but looking at the overall scheme of the law I think myself that there is an adequate regime for the control of drug abuse and drug trafficking. The Honourable and Learned Leader of the Opposition referred to the fact that in the last two years drugs have become more prominent and if I understood him correctly he drew the conclusion that they are on the increase. As I said at the outset I do not myself think that there is any scope for complacency whatsoever with drugs. I think one is always battling with them, one is always trying to contain them but I am not myself persuaded certainly within Gibraltar that there has been an increase. I would prefer to look at it and I do not do this complacently but I would prefer to look at it in this light to say that really over the last two years that there has been increasing efforts to put in drug protection and that the cases which are coming to light are the result of the work done by the Police in this respect. I would prefer to look at it that way. I think that is substantially true and I think the Police are maintaining a campaign successfully against drugs and I know that they intend to do so in the future. The point was also made that Gibraltar is acquiring a reputation. I do not myself see how one can acquire a bad reputation by detecting and prosecuting drug offenders. On the contrary I would have thought that showed that Gibraltar is tackling the problem. I think, too, perhaps that if we live here in Gibraltar obviously the cases assume a good deal of prominence, they are important cases, but I think one has to look at it in the overall context and while in recent years in Gibraltar the people have become much more conscious of drugs I do not think that overall Gibraltar has an especially bad reputation for the reasons that I have already given. I think that it cannot be a bad thing to be detecting and prosecuting people for drug offences. The reason that I am not in favour of a Select Committee at this stage is that I think the matter should be left with officials, I think officials must continue to tackle the problem of drugs. This motion having been brought and concern having been expressed by the Opposition, obviously, that is a matter which would be taken into account but I myself subscribe to the view already put forward by the Chief Minister that at this stage it lies with officials to pursue the campaign against this.

HON MAJOR R J FELIZA

Sir, I would agree with what the Honourable Attorney-

General has said if this was a problem that had just arisen and therefore it would be fair to say: "Let us allow time to go by and see how effective the machinery that exists to combat drugs is". But this problem has been with us for quite a number of years now and it is obvious that whatever exists to combat drugs is not being effective. In fact, if anything, the drug addicts and traffickers seem to be getting the better side of the deal if one goes by what one hears. I fully understand that the problem outside Gibraltar is obviously going to be very, very difficult for this House to tackle. However, good ideas might well come out of a Select Committee in that respect. To what extent we can be effective in that respect, of course, that is a matter that looking ahead it might be very difficult for us to do anything very effective but where it concerns Gibraltar I think that a Select Committee could be very effective. Gibraltar is a very, very small place, it is difficult to come in and it is difficult to go out. In fact, one wonders how it is that drugs do come into Gibraltar and that in such a small place like this cannabis smoking carries on even in public places where everybody seems to know what is going on but yet it keeps going on. This is the big question mark. If Gibraltar is a small place, if it is difficult for the stuff to come in, if we all know every nook and cranny of the place and if we know where the offence is taking place as it seems to be public knowledge, why is it that over the years this has not been stopped? It is a question, Mr Speaker, that everybody in town ask themselves and about which parents are very, very concerned. I cannot see what harm it can do to have a Select Committee of this House. This has been going on for years so what does it matter if we take six more months to arrive at a conclusive campaign to overcome this difficulty? What objection can there be at having a Select Committee? It is not going to cost the Government any more money, all that the Government is going to have are more opinions. I think the getting together of three elected members is very effective, effective because it shows to the people of Gibraltar that the members of this House once and for all are going to tackle this matter very seriously above party politics. Parents, I think, would be very pleased to see that we are going to have a group of elected members concentrating exclusively on this matter. I cannot see why the Chief Minister cannot accept it now but says that perhaps he will consider it in due course. What does he mean by that? Having seen for the past 20 years the situation has not got better, why waste another six months or one year or two years before we eventually decide that we need a Select Committee to look into this matter? The fact that we have a Select Committee will immediately make all the officials concerned get on their toes. They will know now that a group of elected members representing the people of Gibraltar are watching and want to see results and they will probably come out with certain ideas which I think could be used to overcome this very serious problem in

Gibraltar. I think my Honourable Friend, Mr Haynes, has pointed out that perhaps we are on the brink of moving over to much more serious drug taking in Gibraltar and it would be very sad if just for a question of months we would find ourselves in a graver situation than we are in today. I think this House owes it to the people of Gibraltar once and for all to see if we can do something to stop this evil. I would say to the Attorney-General that he must not take offence at this. It is not a question of this House believing that the officials have not been doing their duty, that is not the case. The case is that perhaps new brooms sweep cleaner and I think it is a good thing to have new brains tackling this matter, particularly elected Members who are very much in touch with the local population and can get information and ideas from the public, generally. I do hope that the Chief Minister will reconsider his position now having heard more than one Member of this House expressing their point of view. He should realise that no harm can come out of it, some good might, but no harm can come out of it. What is there against giving it a try? I hope that the Chief Minister will reconsider the position.

HON J B PEREZ

Mr Speaker, it seems quite clear to me, after listening to the contributions which I have heard from both Major Peliza, the Honourable Leader of the Opposition and the Honourable Mr Haynes, that, in fact, the whole House, both Government and Opposition, are agreed on the principles and the sentiments behind the motion as put by the Honourable Mr Isola but the Opposition differ with the Government as to the approach of the situation. In other words, I think it must be said quite clearly that the fact that the Government is not in support or is not in favour of appointing a Select Committee to look into the matter does not, in fact, mean that the Government is not concerned with the problem as has been outlined by the mover of the motion, of course this is not the case, the Government is concerned except that the Government believes that the matter can be tackled in a much better fashion as has been suggested by the Honourable and Learned the Chief Minister rather than by the setting up of a Select Committee and I think it would be useful if I would limit my intervention now, having made the general point, by outlining to the House what I and my Department have in fact done throughout the last year not just after the Honourable Mr Isola introduced the motion but going back to one year, how we have tackled the problem and what we are doing and what changes we intend to adopt as far as the Medical Department is concerned. The first point I would like to make is that we have carried out an exercise in connection with the Gibraltar Branch of the British Medical Association on this matter and we have identified two points. One is the question of therapeutic drugs illegally obtained in Gibraltar, that is point one, and point 2 is therapeutic

drugs legally obtained in Gibraltar. Mr Speaker, coming back to the first point, that is, those illegally obtained, the allegations put forward or the main contentions are as follows.

- (1) It can be obtained by forgery of prescriptions.
- (2) It can be obtained by threatening chemists.
- (3) It can be obtained by the threatening of doctors and compelling them to issue prescriptions.
- (4) By theft.
- (5) By the legal importation of amphetamines which have been imported in Gibraltar under the name "Bustaid" which is in fact imported directly from Spain.

Those are the five contentions in which therapeutic drugs can be legally obtained in Gibraltar. What have we done about this? Well, as far as the forgery of prescriptions are concerned, there have been a number of prosecutions, I believe, in the last year. Not only that we have had quite a number of meetings with doctors, not only the doctors employed by Government but also the private practitioners in Gibraltar and we have encouraged them and impressed upon them the very strong need there is for them to write much more clear prescriptions than they have been doing in the past in order to try and get away from the ease with which somebody can forge the prescription. The second point, the question of threatening chemists, well, we have also had meetings with chemists and we have told them that any point when they feel that somebody is behaving in a threatening manner they are to phone the Police straight away and this in fact has been done and I know this has been done on a number of occasions by one particular chemist who unfortunately seems to have all the young Gibraltarian addicts going to him for the dispensing of drugs. He has phoned the Police on a number of occasions and the Police have dealt with it quite well. The question of theft, well, that again is a matter for the Police, I think there was one theft last year and the culprit was in fact caught and taken to Court and convicted. Lastly, on the question of importation, we are now working in very close liaison with the Customs and if there is any suspicious importation or suspicious parcels coming into Gibraltar or the importation of drugs they get in contact with us and the Head Pharmacist if he finds it necessary goes to Waterport and finds out what the drug imported is. I think we have in fact stopped the importation of Bustaid tablets into Gibraltar. The second point which I have mentioned is the one dealing with therapeutic drugs which are legally obtained within Gibraltar. The criticisms here are as follows:

- (a) Over prescription by doctors.
- (b) Indiscriminate prescriptions by doctors.
- (c) The obtaining of several prescriptions from different doctors in Gibraltar.

For example, a particular individual going to the Health Centre, seeing one of the doctors there, getting a prescription and then going after that straight afterwards to see one of our private practitioners and getting another prescription from him as well without of course disclosing that he has already been to see a doctor in the Health Centre. Another point is the dispensing of drugs without a prescription. In connection with the overprescribing by doctors, we have had quite a number of meetings with the doctors at the Health Centre in which I have been present and also the Director of Medical Services has been present and the British Medical Association have helped, and we have tried to impress upon them the question of the over-prescribing, not only because of the financial aspect in overprescribing and wastage but also in connection with the fact that patients do not take all their tablets and they have these available either for sale or for giving over to friends. I recall only yesterday I had one particular complaint from a friend of mine who had been to the Health Centre and the complaint in this particular case was that this particular patient was suffering from influenza and had in fact been sent home and told to go to bed with Panadol. I hope we do not go from one extreme to the other but it has already been impressed upon the doctors of this particular necessity not to overprescribe. In connection with indiscriminate prescriptions that again has been stressed to doctors and of course they are well aware of this. On the question of obtaining several prescriptions from different doctors, this really is a matter of liaison between the two local private practitioners and the Health Centre doctors. Apart from that it is in fact very difficult for us to actually put a stop to that. The dispensing of drugs without prescription that, of course, is unlawful and chemists know that if they do actually dispense without prescription and if they are in fact found out then of course they will be prosecuted by the pertinent authorities. Having outlined those two points I would like to go even further, Mr Speaker, and that is to inform the House about certain recommendations which as yet we have not carried out but we are in fact thinking of doing in the not too distant future. The recommendations have already been discussed with the British Medical Association and the Medical and Health Department and we have both agreed with these particular recommendations. The first one is the setting up of an inspectorate to investigate prescriptions and inspect the pharmaceutical register throughout chemist shops and other establishments who are authorised to dispense medicines. The inspectorate would consist of the

staff pharmacist and senior police officers and I can say, Mr Speaker, that my information is that the Police have already appointed a particular inspector to form part of this small team. May I add that there is already provision in the relevant Ordinance for the setting up of this particular inspectorate. The second recommendation is that the staff pharmacist should be responsible for receiving, co-ordinating and collating prescriptions dispensed as a specified drug with a view to monitoring overprescribing and/or indiscriminate prescribing from individual doctors. This is in fact already in a small way being done by the Head Pharmacist. Another aspect is that in the case of drugs which arrive by parcel post the staff pharmacist should be immediately contacted if a drug or medicine was considered suspect. This, as I have already pointed out, is already being done. Another recommendation would be that the mass media should be encouraged to give publicity to the whole spectrum of drug abuse with a view to making parents and the public more aware of its dangers. That has not yet been done. Another recommendation is that a campaign be launched to persuade the public to return unwanted medicines and/or drugs. This has been done to some extent but I think it ought to be revived once again. Another recommendation is that specified medicine procedure should be agreed for those persons requiring treatment and that consideration should be given to looking closely at the question of drug addiction in connection with particular patients. Another recommendation which has already been done is that all general practitioners should seek to prescribe the following categories of drugs:

- (a) Barbituric acid derivatives
- (b) Amphetamines and Dex-Amphetamine derivatives
- (c) Methaqualone

and that has already been done. So you see, Mr Speaker, I started off my general comments by saying that in fact the Government is already well aware of this problem and is already taking steps to see what it can do to combat this particular problem and I think I have outlined what the Medical and Health Department have been doing throughout the last year. I have also outlined the points that we have covered and I think I have also outlined the recommendations which I think should also be implemented and which I hope will be done within the next few months, Mr Speaker, the fact that the Government does not support the setting up of a Select Committee does not mean that we are not concerned. Of course we are concerned, we just feel that if we do it in the manner outlined by the Chief Minister it will have a much better result.

HON G T RESTANO

Mr Speaker, we have had three members of the Government speaking on the motion, the Chief Minister, the Attorney-General and the Minister for Medical and Health Services, and the three have said that there is no requirement, there is no need for a Select Committee to be appointed to look into the abuse and trafficking of drugs in Gibraltar.

Other than perhaps the Minister for Medical and Health Services who has touched on one aspect of the problem which is the prescribing of drugs locally, none of them have given any valid reasons, to my mind, why there should not be a Select Committee. The Chief Minister as well as the Attorney-General have said the problem should be looked at in its broader sense, in the words of the Chief Minister, and the Attorney-General said that things were being done by officials and that therefore that was sufficient for the problem to be looked into but they have given no reasons. This motion has two aspects to it, one is drug consumption locally and the other is the trafficking of drugs. On the local consumption of drugs this of course we know has been going on for many years in Gibraltar and yet although it has been going on for many years although there have been officials responsible for the control of this sort of thing, the Police and the Customs, yet the problem seems to grow year by year, there may be a lapse in one year but altogether it grows year by year and the problem becomes greater. It has been the responsibility of the Police and the Revenue because these drugs are imported from Morocco, I understand. We get from time to time convictions in the courts of people who are caught smoking the drug, we even get convictions for those who are called "pushers" who sell the drugs but I think it has always been a big question mark as to why are there never convictions against, shall we call them, the financiers of these operations, the organisers of these operations in Gibraltar? Those sort of convictions never seem to occur. It is the addicts who get convicted, and I think quite rightly so, but I think it is a pity that it is only the addict who gets convicted, they are really the victims of the exercise.

HON ATTORNEY-GENERAL

If the Honourable Member will give way.

HON G T RESTANO

Most certainly.

HON ATTORNEY-GENERAL

It is not correct to say that only the addicts are convicted, I can give him figures if he would like, of the breakdown of the convictions over the last three years.

HON G T RESTANO

If the Honourable Member will let me finish the particular statement then I would be most willing to give way and let him give the figures. I said that in most cases the addicts were those who were convicted. I was going to go on to say that those who sold the drugs, the "pushers", as I understand they are called, are also convicted but they themselves, again I understand, are not possibly those who could possibly finance these sort of operations, the importation of the drugs, for paying for the drugs. I know that the Police have convicted the pushers as well as the addicts but I have not, certainly to my recollection, heard of any convictions against the organisers who finance the operation. Those I would have thought are the areas where there seem to be a particular lack in convictions. To me that would appear - and I do not want to cast any aspersions on any officials - but certainly I would say that it would indicate that neither the Police or the Revenue Department have been very successful over the years in controlling the importation or the local organisation of the distribution of drugs in Gibraltar and therefore if over, say, 10 or 12 years culminating over the last few years, the Police and the Revenue have not been very successful. Why should this House not appoint a Select Committee to try and do something about this to try and look into the problem where no official has really been successful over the years? The Minister for Medical and Health Services made a very good exposition, I think, on the control of drugs through the prescription of doctors and through pharmacies in Gibraltar but that of course is not really the point of the motion. It is of slight irrelevance in that what the motion really is concerned about is the dissemination of drugs that have been imported from outside and not through legal sources as those that the Member was making a reference to. Therefore unless any member of the Government comes up with any real concrete argument against setting up a Select Committee and unless they

stop saying "Oh, things are being done", well; it has been proved time and again that things are not being done and it has not been done over 12 years. I am not saying that nothing has been done, yes, of course, some people have been convicted but are we getting to the source? Have those people who have been involved in convicting people gone to the source of the problem? That, I think, has not occurred and that is possibly where a Select Committee would be directing its attention to. Thank you, Sir.

HON H J ZAMMIT.

Mr Speaker, Sir, I had not intended to participate in this discussion but I think that I have a little knowledge of what has been said here this evening and I would like to start, Mr Speaker, by saying that the Chief Minister said that in spirit I think one has to agree with the terms of the motion as moved by the Leader of the Opposition but the arguments that have followed that I am afraid do not hold much water particularly, Mr Speaker, the last contribution from the Honourable Mr Gerald Restano. I see he does know a few of the words within the fraternity but I can assure the Honourable Mr Restano that if he thinks that little Gibraltar with or without a Select Committee, is able to discover the people who finance cannabis operations then he is really in the moon and let me assure the Honourable Mr Restano that the quantity of cannabis that Gibraltar may require for its drug community is so minute that it does not require great amounts of money to purchase. It is purely done, and I say this with some authority, Cannabis is imported into Gibraltar in small doses, normally in small doses, rarely exceeding a kilo or two, carried by an individual and smuggled into Gibraltar. I think that we have to be absolutely clear about this and say that if that is the problem that we are looking at as opposed to the trafficking problem of Gibraltar receiving the bad name that the Honourable the Leader of the Opposition and the Government and I think everybody in Gibraltar would like to dispense with, they are two very separate instances. I think any of us can agree that the amount of cannabis that has been found in a tug or purely, may I say, because the tug happened to call at Gibraltar is that Gibraltar was flashed in the national press in the United Kingdom. With regard to the hundreds of kilos off the shore, I think we have to accept that that amount was never intended for Gibraltar consumption. There is not that market in Gibraltar for drugs. So it is clearly intended, as the Chief Minister rightly pointed out, it is on the way from

Morocco or from North Africa finding its way into the more sophisticated European countries and I think it is an established fact that a great amount of it gets into Algeciras. Time and time again one hears the name of Algeciras being mentioned in the Spanish press and radio of very large hauls of cannabis and other drugs and amphetamines being picked up by the Spanish aduana in Algeciras and more so transhipment into Malaga. One has to accept, and I think it is common knowledge, that the drugs consumption in the Southern part of Spain is basically meant for the Costa del Sol both for Spanish consumption and for a touristic consumption for people who find it much cheaper to come down to Costa del Sol and have a fortnight's holiday than stay, say, in Oslo. I can assure the Honourable Mr Restano that the Police have for many, many years been trying to find out who is financing the operations and it is very difficult. It is very difficult because these things in great quantities require an enormous amount of money and it is not for me to say where it comes from but it is not easy to because it is a worldwide operation. Mr Speaker, the local drugs problem I think we are all very concerned about, and I think it has been a problem not brought about because of the bad name Gibraltar may have received on account of large operations a year ago, 2 years ago, or 3 years ago or two days ago, but because of the deteriorating circumstances of drug taking in Gibraltar. I can go back Mr Speaker, to the early 1960's when it was uncommon, indeed, a rare occasion when an individual was taken to court for possession of drugs. It was not as common as it is today. I am not condoning it under any circumstances but it is not a problem solely in Gibraltar. Fortunately, our experience of LSD and opium and heroin in Gibraltar is virtually nil. What we are talking about is what is termed by some people as "soft" drugs that is cannabis which is wrongly, to my mind, accepted by many countries and by many parents and that is what we are talking about. Although the situation cannot be condoned in any way, I think our youth should be congratulated because it is contained within the same bunch of individuals, it is not an expanding market. The sellers cannot make much money out of it because as I say, there is not a market for it here and these people are known to the Police and may I say both the Police and the Customs do an excellent job in drug prevention. Mr Speaker, I do not think that a Select Committee could do anything more than what the Police, the Customs and the Public Health Department have been doing in this respect. We all know that there is a Drugs Advisory Committee which meets from time to time, it could well be re-activated, as the Chief Minister said, and things brought out in the open once again. I think we must not

exaggerate the problem. If we find one bale of cannabis washed up on our beaches let me assure you there are probably 20 bales 500 yards further up the Coast. We must be very careful, Mr Speaker, not to make this known to the world that we consider ourselves to be a drugs centre because we are not. Mr Speaker, when the Attorney-General mentioned to the Honourable Mr Restano the amount of convictions that have taken place in Gibraltar, in 1979 there were 91 cases of simple possession, 27 cases of possession with intent, 2 cases of attempting to import or export - and I should pause here and say that I remember that in this House we have received an enormous amount of urging trying to facilitate Waterport passengers coming through . . . .

MR SPEAKER

No, that is not relevant.

HON H J ZAMMITT

Very well, Mr Speaker, let me continue. Supplying, one case, obstructing Police 24 cases and conspiracy 6, that was in 1979, a grand total of 151 convictions. In 1980 there were 82 cases of simple possession; 4 cases as opposed to 27 cases of possession with intent, 8 cases of attempting to import or export as opposed to 2 the previous year; 10 cases of obstructing Police as opposed to 24 and 8 cases of conspiracy as opposed to 6. In 1981 to date there have been 17 convictions for simple possession; 1 for possession with intent; 2 of attempting to import and export, 3 offers of supplying and 3 of obstructing Police. Mr Speaker, that is the drugs situation in Gibraltar. Let me assure the Honourable Mr Restano that the situation in Gibraltar is not to be applauded but I think our youth ought to be congratulated because elsewhere wherever one goes one reads of a tremendous amount of soft drugs going on and I do not think that we should explode out of all proportion the situation in Gibraltar. Let me assure the Honourable Mr Restano that we do not grow it. We all know where it is grown and we all know and the world knows where the large quantities end up. Mr Speaker, one has to agree that there is no need for a Select Committee just to let the world know that we are not responsible for a tug calling at Gibraltar and being arrested three days later in some other seas. There is no need to explode this out of all proportion or beyond what we know the problem is. Our concern is to keep our youth and our people as far as possible away from these temptations. We will not stop it, let me assure the Honourable Members, we

will not stop it with a Select Committee of three or with the whole House sitting as a Select Committee. It is far too well established in the world for it to be stopped. We must try to restrain and hold back as much as possible. Mr Speaker, I have to agree with the Chief Minister and my colleagues in this. I think Honourable Members will have to agree that if I have to say something I will say it despite the fact that I may have to vote against it but I will say it and I have established that on more than one occasion. If I agreed I would say I agreed and then vote against not agreeing but on this occasion I do not agree that a Select Committee would do anything at all for the benefit of Gibraltar or clearing the name of Gibraltar in the drug market.

HON A T LODDO

I must certainly Mr Speaker had no intention of speaking in this debate but I was amazed that the Honourable Mr Zammitt who had no intention of speaking in this debate came so well documented. The Honourable Mr Zammitt's speech has been the epitome of complacency. He asks us to believe that the market for drugs in Gibraltar is not an expanding one and yet by quoting the figures he proves the contrary. He asks us to believe that the market for drugs in Gibraltar is not expanding and yet tells us that virtually headlines were made a few years ago when a defendant appeared in Court for possessing drugs and now it is the order of the day. I will go along with him in one thing, however, and that is that by and large our youth are to be congratulated. That is a fact, but I do not think the Government can claim any merit for our youth. The thing that strikes me most about this is that here we have a problem, a big social problem which we all agree exists, here we have an Opposition trying to be constructive, trying to give this problem the importance it deserves and here we have a Government who will not accept the hand of friendship but will continue its own sweet way regardless. Their attitude is one of: "I am right and I will not have anybody tell me what to do and what not to do, even when it is done with the best of intentions". I am still amazed.

HON J BOSSANO

Mr Speaker, I think that a Select Committee of the House would not in fact produce dramatic results. I think the problem of the use of drugs, to me, is the symptom of an illness and I do not think the illness can be cured by

making those who wish to indulge in drugs by making it more difficult for them to do so. I think the solution at the moment is that the penalty that society imposes on those who for some unknown reason becomes dependent on drugs is quite heavy. I have got very little knowledge of the problem except where it affects peoples employability. In that area I am involved very frequently in trying to persuade employers to take into employment people who have been convicted of using drugs and it is very difficult to persuade any employer to do it and it is particularly difficult when there are people unemployed who do not take drugs because the employer then has got the choice and generally speaking, the employer will feel that he can expect greater dependability from someone who has not been involved in drug taking than from someone who has and society, in fact, lays a heavy penalty on people who use drugs already in Gibraltar and that does not seem to be a deterrent. I am supporting the motion for a Select Committee not because I myself am convinced that it can come up with a dramatic solution to the problem but because I believe that the intention behind it is in fact a genuine one of trying to see whether anything more can be done than what is being done already, and I believe in trying to do that there is no need to suppose that what is going on at the moment and what has been done already is going to be hindered. If, in fact, the Government had said that all the things they are already attempting would be interfered with by the existence of a Select Committee then I might feel that we might be doing more harm than good by having a Select Committee and although I am not optimistic about the result that it would produce and although I myself cannot offer myself services to such a Select Committee because I have not got the available time that it requires, I still think that it cannot do any damage. That does not mean that I agree with a great number of things that have been said in support of the motion because a great deal of them I do not agree with. I think it is not our responsibility to police the Straits of Gibraltar for a start. I think certainly we have to make a contribution, a contribution relating to our size but if there is a major traffic flow from Morocco to Spain then the two authorities that should be primarily concerned in bringing that to a halt are Morocco and Spain who have got much bigger resources than Gibraltar, a much bigger Customs department and a much bigger Police Department than we have. We will co-operate but it is not our job to send out a British gunboat into the Straits and shoot down every marijuana boat that tries to get across. I think a great deal of the traffic is in fact by-passing Gibraltar and it is only incidentally that it lands up here. I think the Gibraltar market is a limited one and that given the magnitude of the traffic at international scale from the

outside knowledge that I have of it, I only have the knowledge that other members may have who read about it, but given the outside knowledge that I have the impression that I have is that even if everybody in Gibraltar smoked cannabis it would still be a minute market in terms of the millions of pounds involved in this international traffic. I think we face an extremely serious challenge in the possibility of an open frontier which nobody has mentioned so far and there I think whatever we do here the people who want to smoke it will only have to take a short trip across and my understanding from those who have gone, I have not gone myself for 15 years and I have no intention of going unless the frontier is ever opened, but I understand that in our neighbouring territory the thing is now so widespread that there is no attempt to hide the fact any longer, that it is openly used in bars and that kind of thing and I think is a very, very serious situation which we need to think about. I do not know what can be done but I think that would really place a tremendous challenge to anything we may do doing at this end to combat it with a situation where it is easily accessible next door. Therefore I come back to the first point that in my view something that is extremely important is to try to analyse what it is that makes some people dependent on drugs and not others and to cure the illness and not the symptom. I think the use of cannabis is the one that is associated in the public mind with drug abuse. I think that the point made by the Honourable Mr Perez is of course an extremely important one that abuse of drugs by things like obtaining overprescriptions is possibly as widespread as the use of cannabis, possibly as dangerous to society but not seen in the same light. I do not know of anybody who is actually being affected in his opportunity to obtain employment because he has had too many drugs of that type but I know that those that are convicted of having one gramme of marijuana in their pocket are ostracised. We tend to see the problem in a very narrow range and I think if there were a Select Committee perhaps the Select Committee might not be capable of coming up with answers to practical solutions to the problem but it is certainly something that we should look at in a wider context in what is involved, in what is lacking in our society, in the case of direction we give young people in preparing them for their role as adult citizens. Surely, it is in the area of education that we must start combatting this and make people aware of what is involved in living a full and satisfying life without having to depend on the dreams produced by the smoking of cannabis or by anything else. There, I think, is the most effective way which would then give us a situation where instead of having to put a barrier, instead of try-

ing to prevent the product physically reaching those who want to use it. We would be preparing young people so that they do not see the need to use it. That is a direction I think political leadership can be given rather than in saying we multiply the number of customs officers and we multiply the number of Police officers, because in fact the history of man shows that the more you try to prevent somebody from doing something the more determined he becomes to do it. There are people who put the contrary argument, there are people who say that the abuse of tobacco and the abuse of alcohol are far more dangerous than the abuse of cannabis. I think it cannot do any harm to take a look at the situation. I cannot offer my services although I support the motion and I think the way that I would like to see the problem looked at would be in its wider political context of what sort of leadership we can expect as responsible elected members on behalf of the people, on behalf of the parents who are worried about the possibility of their kids being involved and I do not know to what extent the problem exists amongst youngsters, I have heard some horrifying stories of about 50% of the school population using it and that sort of thing but we know how things are exaggerated. I think that in that context we should be looking not just at methods of preventing the accessibility because as I say the problem cannot be resolved entirely by that and I think it is the people who are professionals in their job who are best equipped to handle that. I think it would be very difficult for any of us to be able to tell a Customs officer or a Police officer how better to improve his methods of detection or how better to improve the way that the job is being done. I agree with the Honourable, Mr Zammit, I believe that it is brought into Gibraltar in small quantities and that it is virtually impossible to short of searching completely everybody that comes in and out. That is my feeling on the matter.

MR SPEAKER

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

HON P J ISOLA

Thank you, Mr Speaker. This has been a most interesting and instructive debate, certainly for me. I thank the Honourable Mr Bossano for his remarks. I agree with him that the idea of a Select Committee was to look at it in its wider political context. I think this point seems to

have been missed on the Government benches. I am convinced the motion should go to a vote after listening to the Honourable Minister for Housing and Sport who I think was very complacent about the internal situation and the external situation. He talked about one of two finds of cannabis in Gibraltar. I think there has been a little bit more than that and the finds there have been and the importation there has been not into Gibraltar but in other countries, has been of a sufficient quantity to cause us concern. I was very restrained in my opening and I continue to be restrained because I am conscious that there are proceedings sub-judice and I would not like to comment in one way or another on the activities that are alleged to have taken place but I think there is sufficient evidence available to us to make us realise that there is a serious problem internationally for Gibraltar. I think that the main people who can look at that problem objectively, is, in fact, a Select Committee of the House because it does affect the good name of Gibraltar. We are the best suited to look into the matter, we have the procedure, we have Select Committee procedures which enables us to call before the Committee anybody dealing with the problem of drugs. I cannot be complacent Mr Speaker, when I see what I see when I go down to the Marina areas of Gibraltar, need I say anything more, I cannot be complacent when I see what I see. Then he goes into the eternal problem, the problem of our youth which of course must be uppermost in our minds. I cannot accept 162 convictions in one year, that is, 3 convictions a week, to be something to be satisfied about because if there are 162 convictions how many other offences must there inevitably have been during the year that are not detected? Of course it must be a matter for concern and even if there are only 50 convictions I would have thought it would be of concern to us. The Minister for Housing referred to the Committee on Drugs. I am prepared to give way if somebody will tell me on how many occasions during the last 10 years this Committee has sat. If any member of the Government side can tell me on how many occasions during the last ten years the Committee has sat I will give way. I would have thought not even once.

HON CHIEF MINISTER

If the Honourable Member will give way. The point is that there was a Committee, it carried out a number of statutory duties that it has. It prompted, I think the report of the British Medical Association which is being considered. The Committee then did not meet for a while and it is the intention to re-activate the Committee. I have spoken to the former Chairman and he is prepared to take it on. If

the Honourable Member is prepared to serve in a committee and to chair a committee I am prepared to consider the matter if he will appoint one of his members and I will appoint a member but to ask us generally without prior consultation to appoint a committee without finding what the constitution of the committee is going to be and so on and then to pretend that we want to be all together without any consultation and just put in a motion because there is a big campaign in one of the papers I think this is not really the spirit in which it is pretended that the motion is being put.

HON P J ISOLA

Mr Speaker, I was giving way to find out how many times this Committee had met. I did not know it was a Statutory Committee that is still more. If it is a Statutory Committee then the number of times it has met must be available to somebody in the Government. The Chief Minister has said that the term of office of the Chairman has expired and that indicates that the Committee has not been sitting, certainly, in the last 3 years. If that can be denied, well, please say so. I think that is complacency and I do not think that there are any grounds for complacency. I did not mention the Campaign in Vox, the Chief Minister has mentioned it. If there had been a campaign in Panorama or the Gibraltar Evening Post perhaps one should have given that newspaper rather more weight possibly than the Vox. The VOX has been making quite a persistent campaign on this matter of drugs, this is true, and in fact in the same way as the Chief Minister was approached by VOX and I notice the Chief Minister undertook to consider the matter and the VOX looked forward to hearing from him. I think the same way as the VOX approached the Chief Minister the VOX also approached me and asked me what was the Opposition going to do about it. It is very difficult to tell people the Opposition can do precious little about anything other than in this House and putting a motion down and I am glad that the main purpose of the motion has been achieved in that certainly on this side of the House and to a certain extent on the other side of the House, although with a considerable degree of complacency, as I said, from the Honourable Minister for Housing and Sport concern has been expressed in the House and the whole purpose of having a Select Committee is to reassure the people of Gibraltar that their elected representatives, that the highest body in the land is concerned and is prepared to take time to consider the matter. As I said, I think there are things the Select Committee can do but I would not like to go into detail in this debate. Certainly, if anybody has been following

VOX, especially the articles of 7th of March, anybody who has read it and I would have thought that the Honourable Minister for Housing and Sport would benefit enormously from reading it. You may not read VOX but I am different, I read all the newspapers, I read the POST, I read the PANORAMA, I read the CALPE NEWS, I read GIBRALTAR LIBRE, I read THE PEOPLE. I am most interested in the articles written by my Honourable Friend in The Post, I read them all, Mr Chairman, and of course THE GIBRALTAR CHRONICLE, but of course I know that the other side are a bit biased against VOX or any newspaper that does not seem to toe the line. I think he would learn a lot from reading the VOX of Saturday 7th of March, after I put the motion down. I think he would learn a lot from the main article headed: "We can learn a lesson from America and Britain", I think he would learn a lot if he read that. Because what has happened in Britain is what happened in America 15 years before and what may happen in Gibraltar if we do not do something about it is what is happening in Britain now and will happen in Gibraltar in five years and eventually in 10 years what is happening in America. And it is very interesting to read that article for anybody who is concerned about the problem because if he reads the article he will see that it has been definitely established that there is a connection between cannabis and heroin and I share what the Honourable Minister for Housing and Sport has said when he said: "Thank God we do not have a hard drug problem". But that is what the Americans said when it all started there 25 years ago but they do not say it now and that was what the British said when it started there 10 years later. But they have a problem now and what we have to ensure in Gibraltar and what we are concerned about in Gibraltar is that it does not happen here in 5 years time because there is a definite connection between cannabis and heroin. And you do move from cannabis to heroin, possibly the same as you move from alcohol into alcoholism. I share what my Honourable Friend Mr Restano said and the concern he has expressed on this matter as well. About the only constraint I had about putting this motion down was the thought of the Clerk of the House having to service another Select Committee of the House and that was about the only thing that constrained me from putting the motion down. But knowing his great sense of public duty and devotion to the House, Mr Speaker, I said to myself he will not mind too much. Mr Speaker, seriously, as I said in my opening, I am of course very concerned about what happens to our youth, we all are. Primarily that must be our main concern. I do congratulate all those who do not smoke and if it is controlled I am very glad to hear it. I do not think it is from what I hear myself but I am very concerned about the international position of Gibraltar. I am very concerned that countries

or people should say that we in Gibraltar, the elected representatives, are doing little about it because I agree with what the Honourable and Learned the Attorney-General has said that his department, the Police and the Customs, I know they are all doing tremendous things in this, they are all working hard and they are co-operating internationally and so forth, I do know that. But unfortunately the way of officialdom are such that officialdom cannot publicise what it does, it is Governments who have to do that. It is the elected representatives of the people who have to project how a country feels and that is why I think it is important that this House should appoint a Select Committee to consider this matter. I think enough has been said, Mr Speaker, on both sides of the House but before I finish I do want to mention one point about what the Honourable Mr Bossano said. I am not suggesting that we send a British gunboat into the Straits, first we have to find one and then we have to get them to agree to go. I do agree that trafficking between Morocco and Spain is primarily the responsibility of Morocco and Spain and trafficking between Morocco and England is primarily the responsibility of Great Britain and Morocco.

But when we get involved or our nationals get involved in one way or another by the method of the operation then I think that if we can do something about it we should do something about it. That is the point I would like to make in answer to that. Mr Speaker, I will say nothing more, I commend the motion to the House.

Mr Speaker then put the question in the terms of the Honourable P J Isola's motion and on a division being taken the following Honourable Members voted in favour:

The Honourable J Bossano  
The Honourable A J Haynes  
The Honourable P J Isola  
The Honourable A T Lodd  
The Honourable Major R J Peliza  
The Honourable G T Restano  
The Honourable W T Scott

The following Honourable Members voted against:

The Honourable I Abecasis  
The Honourable A J Canepa  
The Honourable Major F J Dellipiani  
The Honourable M E Featherstone  
The Honourable Sir Joshua Hassan

The Honourable J B Perez  
The Honourable Dr R S Valarino  
The Honourable H J Zammit  
The Honourable D Hull  
The Honourable R J Wallace

The motion was accordingly defeated.

The House recessed at 5.20 p.m.

The House resumed at 5.45 p.m.

#### PRIVATE MEMBERS' BILLS

#### FIRST AND SECOND READINGS

#### THE HOUSE OF ASSEMBLY (PUBLIC OFFICES) ORDINANCE, 1980

HON P J ISOLA

Sir, I have the honour to move that a Bill for an Ordinance to provide that the holders of certain public offices shall not be disqualified for election, that the holders of other public offices may stand for election and for matters incidental thereto, be read a first time.

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

#### SECOND READING

HON P J ISOLA

Sir, I have the honour to move that the Bill be now read a second time. Sir, in dealing with the Bill before the House, I think I would like to go straight away into what I consider is the constitutional principle of the Bill. In the last meeting of the House, when I asked the House for leave to move this Bill the Chief Minister stated and I here quote from Hansard page 158: "The position is that the Governor has been informed that Ministers do not agree that the Bill as drafted should be passed and I have given an undertaking to this effect and to the effect that amendments that may be proposed will be first discussed in Gibraltar Council. In the light of this undertaking the

Governor has signified he will allow the Bill to go through for discussion". The reason why I quote that piece from the Chief Minister's address is because he gives the impression that the Bill would not have been brought by the Government without first discussing the same in Gibraltar Council which is understandable, that is a matter for the Government, but that he conceded that we could not have it in the House without that consent from the Governor because the Governor had stated it was a non-defined domestic matter. During my address to you, Mr Speaker, on the matter I said: "Of course, whilst I must accept the rulings from the Chair, obviously, in my view this is not a non-defined domestic matter, it is a matter that is primarily by the Constitution for the Legislature to decide. And I hope that that principle is supported by the House generally". The reason why I say this, Mr Speaker, is that as far as the question for standing for election by persons holding public office is concerned, there is a constraint in the Constitution as to how far this House can go. This House cannot for example, pass a Bill even if the Governor were to consent to it, it would be ineffective under which, for example, the Financial and Development Secretary could stand for election and take his seat after the election without first resigning his position. Even, as I said, with the consent of the Governor. There is no power under the Constitution for a Bill to be passed that enables civil servants to stay in office after they have been elected. I will refer to that in a minute. I think that is an important point of principle because that is what the Constitution says and you cannot pass a Bill that goes against the provisions of the Constitution. I would like to refer the House to the Constitution of 1964. Under that Constitution, Section 29, the section that says: "No person shall be qualified to be elected as an elected member of the legislature", there was a provision which said: "(d) who holds or is acting in a public office". And therefore - and I believe there was a Bill passed, how I do not quite know - it was not possible, without changing that Constitution for the legislature to allow anybody to stand for election because it was outside the power of the legislature. The Gibraltar Constitution Order of 1969 changed that position and it changed it as a result of the Constitutional Conference that was held in Gibraltar with Lord Shepherd at which some of us were present. The point I wish to make is that in that Constitution specific provision was made to enable members of the public service to be able to stand for election if the legislature so determined. That was not put in voluntarily by the British Government or by the civil service, or by the Governor, because that is exactly what was not there in the previous Constitution because it was precisely the

policy, if I may put it this way, of the civil service both in Gibraltar and in London not to have members of the civil service standing for the House of Assembly. Those provisions were put in as a result of the Constitutional Conference and as a result of pressure on the Minister to make provision in the Constitution so that civil servants could stand for election on such terms as might be determined. And it is because of that, and the case of teachers was one that was mentioned at that time I remember very clearly, because of that, that order was made. Mr Speaker, I have been looking through my records because I remember specifically seeing a minute, I might have seen it in another capacity but I remember specifically seeing a minute in which it stated quite clearly that who should stand for election was a matter for determination by the elected members of the House of Assembly. And this was not, Mr Speaker, unusual at that period of our history because around 1957 Mrs Judith Hart who was then a Minister involved with the Foreign and Commonwealth Office, made a statement in the House of Commons referring to other territories and saying specifically that it was up to these territories to decide who could or could not stand for Parliament in the same way as the British Parliament had decided that. The reason I say this is because I cannot find a record, in fact, I could not find a single record, Mr Speaker, of the Constitutional Conference which makes me feel that my file must have been a confidential one which I did not take out because I found such things as the speech by Lord Thomson in 1968 at the City Hall and things like that of great interest I found out strangely enough nothing at all on the Constitutional Conference. Anyway, I say and I am sure it will not be denied that the very fact that provision was made in the 1969 Constitution for powers to be given to the legislature so that people could stand for election is evidence that the point was brought up and was agreed in a limited way. Under Section 28 of the Constitution, 28 (1) is the same as 28 (1) in the 1964 Constitution, (2) and also (3) or roughly the same, in fact the same I think, I have not actually compared it line by line but it is the same but there is a new Clause 4 and it says there: "If it is so prescribed by the legislature a person shall not be disqualified for election as an elected member of the Assembly by virtue of his holding or acting in any public office specified (either individually or by reference to a class of office) by the Legislature."

- (b) A person may stand as a candidate for election as such notwithstanding that he holds or is acting in any public office specified in the manner aforesaid by the Legislature, if he undertakes to relinquish or, as the case may be, to cease to act in that

office if he is elected as an Elected Member of the Assembly". So that the Constitution says the man has to undertake to resign if elected. He cannot carry on in post.

- (c) Any office specified in the manner aforesaid by the Legislature being in office the emoluments of which they are paid, directly or indirectly, out of public funds, but which would not otherwise be a public office for the purpose of this section, shall be deemed to be a public office for those purposes."

And then he goes on to say that : "Any law made in pursuance of paragraph (b), the last foregoing subsection may contain incidental and consequential provisions, including provision that an Elected Member who has given such an undertaking as is referred to in that subsection shall be incapable of taking his seat in the Assembly until he has fulfilled that undertaking and shall vacate his seat if he has not fulfilled it within such time as is specified by such law". The constitutional document is very, very clear. It has given the legislature powers to enable civil servants to stand for election but it has also said that they may only stand if they undertake prior to standing that they will resign on election and even if you pass the law they will be incapable of taking their seat until they have resigned.

That was, Mr Speaker, the compromise agreed at the Constitutional Conference in 1969 because there were some of us who thought that it was perfectly alright for members of certain grades of people unconnected entirely with the governmental machine or the administrative machine of the Government; it was not to our mind invidious for them to keep their jobs and sit whilst they were sitting on the Opposition benches. That was not agreed by everybody there and so the compromise was: "Alright, the legislature can make provision as to who can stand, we leave that to you guys to do. But once a person stands and is elected he must resign". So when, Mr Speaker, we are talking about the Bill and the merits of the Bill I would like Honourable Members not to give the impression that what we are saying is, because we cannot say it much as some might like to say it, what we are saying is that civil servants can be civil servants and elected members. We are not saying that. So the question the principle of master and servant does not apply here because the servant will not be a servant if he is elected and really, Mr Speaker, all we are talking about in this Bill is giving somebody 21 days in which to resign, that is what we are talking about. I would like Honourable Members who have spoken on this in the past to bear that very much in mind in their contributions because reading what has been said in the past one has got the impression that they were not aware of that and I think they should be fully aware of that because it is very important because we are concerned here, Mr Speaker, with the democratic principle of representation, of the right of people in the Register of Electors to stand for election and of the

importance of allowing as many people as possible to be able to exercise that right, to stand for election without having to take enormous personal and family risks and that is what we are talking about. What I say and what the DUPG Opposition say, is that the Government and we, as elected members of the House, should be as liberal as possible to allow as many people as possible to be able to exercise that democratic right which is the essence of democracy, to be able to stand for election. There are two democratic rights, one is to vote the other one is to stand, that is the basis of any democracy. We are not talking here, Mr Speaker, of the political activities of civil servants. You can never stop a civil servant from belonging to a political party. You can never stop a civil servant having his own political views. One, however, relies on them, as responsible members of the community, not to allow their political inclinations to affect their service to the Government in power and their service to the community. The British system recognises this, it recognises this in the system it has for civil servants to dabble in politics. It has got what are called the politically free in the civil service and these people, Mr Speaker, can indulge in political activities, can stand for election, can sit in Parliament and retain their jobs. Then there is the intermediate class and they are the people who are allowed to indulge in politics to a limited extent but on election must resign and then there are the politically restricted class and they are the people who are the top civil servants, the top executives, the middle executives, if you like, they cannot do anything. If they belong to a party they must keep it to themselves. There you have got a democratic country which recognises the principles of democratic representation and saying: "Well, let us look at it. It is our job to see it, is our job to ensure that as many people can exercise this democratic right to stand for election. Therefore we think, for example, that dustmen or porters in our Whitehall buildings, we think that those people can stand, what do we care what views they hold?" And therefore they allow them to stand for election and keep their jobs. I am not saying we should do that because our law does not allow us to do that. But that is what happens in England and they have taken trouble to see the areas. The teachers, for example, which seems to be the bone of contention, I do not know why but it seems to me. The teachers work for Local Authorities and they can stand for Parliament. The argument used with teachers, for example, is; "They will not do their job, if they are in Parliament they cannot be involved in politics. I cannot have a teacher who is politically biased teaching my son and inculcating him with all the principles of his political party". Well, in England they do that. The Local Authorities allow them to stand for election and sit in Parliament, Socialists, Conservatives and Communists. Of course teachers can sit in Parliament, not in the Local Authorities. A Local Authority may say they have to

resign but we have to resign anyway in Gibraltar. The point I am making is that the argument that is used that teachers should not be able to be elected members is not an argument that is accepted in England which is the cradle of democracy, the mother of Parliament. I think it is important to get these principles, Mr Speaker, into our heads so that we do not get confusion in arguments on the merits of the Bill. What this Bill basically seeks to do is to allow a very limited number of people, a very limited number of people. The Honourable Mr Bossano told us he would vote against the Bill, he thinks it is not radical enough but this is what I would like, Mr Speaker, I would like to see some practical experience of this so that is why I say in a limited way. Let us see what happens. When we see what happens it may be we can extend it. Let us have more trust in our civil servants, let us have more trust in people who are not directly connected with the Governmental machine. Let them stand for election. Because really, Mr Speaker, what we are talking about here is that the Government says, for example, to a teacher or any civil servant: "If you want to stand for election you are not like Isola or Haynes or Peliza, no, if you want to stand you have got to decide now, lose your job and I cannot give you any guarantee about reinstatement and then if you do not get elected, well bad luck". Why should one demand that from a human being in 1981? Why should we ask people to make the sacrifices that Mr Xiberras made or Mr Canepa made? Mind you, in those days there was a great shortage of teachers and perhaps they could have got a job back again straightaway, I do not know whether that is the position now. Why should we have to do that? Why do we have a highly educated part of our community that is able to contribute to public life and has contributed in the guise of Mr Canepa and Mr Xiberras in the past? Why do we make them have to take the plunge, lose their gratuities, lose all their rights? Are they not making enough sacrifice, Mr Speaker, in resigning in the first place once they are elected with no guarantee as to what will happen when the electorate thinks differently four years later? Is that not a big enough sacrifice? Perhaps it is not when the governing party gets its eight candidates in because they would be in for 16 years or for 12 years, I do not know, but this is not that is going to continue indefinitely I am quite sure of that. It is not right to put additional burdens on people who want to exercise their democratic rights to stand but who are told: "There is a penalty in your case. There is a penalty that puts at risk your family, your children and your future. We are imposing a penalty on you but not on Haynes, not on Featherstone, not on so and so and everybody else".

It is surprising to me that the limited extent of the Bill is objected to. It can have no objection in principle,

Mr Speaker, because the civil servant concerned is required under the Constitution to resign on election. All we are going, and to this extent I have some sympathy for what Mr Bossano says, that this should be as wide as possible, because they have to resign anyway. I could not agree with the proposal of Mr Bossano that the Financial and Development Secretary, for example, can stand for election, get elected into the Opposition and sit in this bench being Financial Secretary there. That would be absurd but under the Constitution he has to resign. In any case in Gibraltar there is something to be said for actually being rather more generous than I am being in this Bill, but my generosity is only limited in the hope that I can tempt the Legislature to agree and tempt them to say: "Let go this far and let us see what happens". Mr Speaker, we all know and I do not have to say it, it is especially important in Gibraltar, when the public sector constitutes such a vast majority in Gibraltar, I think Members will agree that in Gibraltar, even more so than in England, it is important that we should allow as many people as possible to exercise their democratic right to stand for election without unduly penalising them for it because at least now we know that if they get elected they are going to get paid a reasonable salary. Therefore once elected they have to worry about four years later, true, but some will be worse off others might be better off. If they get elected into Government they may be that much better off than when they were a civil servant. That may be the case for some, not for others. As I said, this is a modest document and what I have done in the Bill is to, as far as the public sector is concerned with the Imperial Government, I have extended the number of people who can stand for election and I have allowed any industrial or any non-industrials, it is proposed, should be able to stand except such offices of emolument of a grade which the Governor may by Order prescribe to be middle managerial or above. I know from my experience, just before the elections, with the Governor and the Deputy Governor, about one of our possible candidates, I know that from a note that was handed to the Governor which he gave to me, that the United Kingdom Departments were only concerned that those in front line management should not be able to stand for election but apart from that they did not seem to have the objections then. And the criteria that I am now putting forward of that middle managerial or above cannot stand, I think is well within those limits and I believe it really means only clerical officers up to E0 grade. Above that they cannot stand but up to E0 grade they will be able to stand. Frankly, I see that as a modest extension to the existing legislation on this subject and it avoids the absurd situation we had prior to the elections when an Accommodation Accounting Clerk was unable to stand although he was only getting £5 more a year

than a clerical officer who could stand and the Governor was, so we were advised precluded from making any Order because the legislation just did not allow it and by prescribing up to 30 we would get over that difficulty and similar difficulties. As far as the Gibraltar Government is concerned, I have chosen the grade of Clerical Officer or a grade prescribed by Order of the Governor as being a grade equivalent to or below the grade of Clerical Officer. It will be up to the Government to decide what are the equivalent grades. I think, from my records, that the Government probably was prepared to go a little further than that and that is why we are suggesting a Select Committee of the House but from a note the Chief Minister gave me just before the elections, just after the motion of the Honourable Mr Bossano, prior to the election, I think I was given a list by the Chief Minister from which teachers were excluded, of people that he felt could stand for election and they included Senior Clerical Officers, although exceptions would have to be made in respect of certain posts in the grade, Technical Assistants, Assistant Environmental Health Officers, House Parents, Senior Enforcement Officer in the Public Health Department, Fire Control Operators, Enrolled Nurses, we make provision for that, Senior Messengers, Nursing Assistants, Nursing Auxiliaries, Postmen, Telephone Trunk Operators, and a number of people in the list that I was given and which I was not able to agree because teachers were excluded from that list. We have just said that and then we go on to say, and this I suppose is the controversial one as far as the Government is concerned, "any office of emolument under the Government of Gibraltar which is of the grade of qualified or graduate teachers, other than Head Teacher, and Deputy Head Teacher, or of a teacher grade prescribed by Order of the Governor as being a grade equivalent to or below the grade of qualified teacher". The other people we have put in is the grade of nurse and then, again, I make the exception of Nursing Sisters or Charge Nurses or of a nursing grade prescribed by Order of the Governor as being a grade equivalent to or below the grade of nurses. As I said, it is a modest extension of the law but it introduces for the first time since the Constitution of 1969 eleven years ago, the right of some non-industrials to be able to stand for election. Mr Speaker, why do I introduce a teacher, and I think I must go straight to the point because the Minister for Education, surprisingly enough, objected to teachers. He felt so strongly about teachers being able to stand he did not even feel able to give me leave to introduce the motion and said he would abstain as a protest. Why do I say a teacher? Well, Mr Speaker, we have got a good educational system, I feel, in Gibraltar, and as a result of that good educational system there are a number of people who qualify in Gibraltar for further education. Of the people who qualify for

further education a good number, let me put it that way, or a good majority of them, go into teaching and get degrees. A smaller number go into the professions and so forth. They are the cream, the intellectual cream of Gibraltar, not the teachers, all these people who qualify for further education of which the teachers form an important and significant part and I believe, Mr Speaker, that the teacher is teaching in a school, he has got his school politics obviously, they all have, I suppose, but he is not involved in the administrative process of the Government and so we have here a very good basis or a very good force of educated people, intelligent people, who can contribute to the community, they do already within the educational system, but who could contribute rather more to the community by standing for election, if they were allowed to do so and whose jobs do not bring them, because I am excluding Head Teachers and Deputy Head Teachers, do not bring them into the administrative process of the public service. I can understand civil servants saying: "Why should teachers be able to stand, they are earning £9,000, £6,000 or whatever it is a year, and a fellow in the civil service who is earning the same amount he cannot stand, why should that be?" I can understand that sort of attitude but what we are interested in, what the people of Gibraltar are interested in, is getting the best possible people elected into this House so that they are governed well and properly and what I am interested in, equally, is in that process but I am equally interested that people should not be, that we do not exact a penalty from these people. We are exacting enough penalty in making him resign when elected. Because that is what this Bill is all about, Mr Speaker, it is all about the 21 days from nomination to election. The argument may be used that that means that they must be in politics beforehand. Well, Mr Speaker, everybody has got political opinions, and people in Government, in the Service, have been known to be in the committees of political parties whilst they were still teaching. And people have been known to express political views in schools and, of course, everybody expects them to. If, for example, my Honourable Friend the Minister for Economic Development and Trade, his wife is a teacher, well, what do the people expect at school, that she is going to say that the DPBG are great guys? We do not expect it. Of course we expect her to support her husband.

HON A J CANEPA

If the Minister will give way. Having regard to the fact that she teaches children between the ages of 4 and 8 I would hope that she does not waste her time speaking about the DPBG.

HON P J ISOLA

well, alright, she is a GLP/AACR teacher, everybody knows that, as well as there are DPBG teachers but we cannot stop that in Gibraltar and in the civil service we know of people who are GLP/AACR and people who are DPBG but it never occurs to us that because they belong to political parties that they are going to do anything in the process of Government to upset it because if you did that, Mr Speaker, it would be impossible, the only way you could do it in that way is to deprive the civil servant from being able to vote at all. That would be one of the answers, do not let them vote, but everybody knows that the civil service vote is a significant vote in an election. Of course it is, it is a significant vote. There is a Union in the Civil Service which goes to the Government and asks for this, this and that and if the Government says no, no and no and there is an election round the corner, we all know what will happen to that Government as far as the civil service vote is concerned. These are the realities of life they are the realities of a democracy and it should be like that. Why should we be so hypocritical as to think that everybody there is just a face and nothing else. They are people, they are human beings, they are people who are affected by Government policies, they are people who are affected and that is why they vote and they exercise their vote to put us in or to put us out and that is the reality of life. So why this objection from the Government side to teachers standing for election? we have England where they can stand for election as long as they do not stand for their County Council and stay as teachers and they can be very useful Members of Parliament like lawyers and other people. You have in England civil servants who can stand for election and still stay in their jobs. Why in Gibraltar should we have these enormous constraints on our pool for people standing for election? Why should we have this very significant body of intelligent and educated members of our community, why must we put a penalty on them if they want to stand for election bearing in mind that they have nothing to do with the administrative procedures of the Government and bearing in mind that you have the safeguard that under the Constitution they will have to resign if elected. In other words, why can we not give them 21 days' leave without pay when the Government spends hundreds of thousands of pounds every year in giving sick leave without certificates and leave without pay to all its civil servants. How many civil servants I would ask, Mr Speaker, take uncertificated leave and how many days a year? It is part of the conditions of service and yet we will deny and we will continue to deny a civil servant the right to go on unpaid leave for 21 days to exercise his democratic right to stand for election, we would deny that even though he has to resign if elected we will deny that because they happen to be teachers and we do not like teachers. Mr Speaker, before I commend the Bill to the House I did say when I asked for leave to introduce the Bill I did say and did make the suggestion that we

should commit the Bill to a select Committee of the House. As I understand the procedure, the procedure is that if the Bill is going to be passed at the second reading, immediately afterwards any Member of the House stands up and moves that the Bill be committed to a Select Committee of the House and a division is taken then without any debate. That seems to be the procedure. I would ask the Government, if they feel that the Bill requires changes, I would ask them to agree with the compromise that I suggest that we commit the Bill to a Select Committee of the House and then let it be discussed among us. Why do I say, Mr Speaker, commit the Bill to a Select Committee of the House? Because, really, I am saying that in exercise of what I consider to be the constitutional position of Gibraltar which is that if we feel that more people should be allowed to stand for election, then it should be the House that decides as it is prescribed by the Constitution.

It should go to a Select Committee of the House and we should thrash it out, we, the elected members of the community, should decide who can exercise his democratic rights to stand and not the Foreign Office and not the Governor, and this is a basic constitutional concept which is enshrined in our Constitution. Unless the Gibraltar Government or the Ministers, unless it is their view that there must be absolutely no change in who can stand for election, unless that is their view, if that is their view there should be no change of any kind and we keep the archaic system that we have, then of course they might as well vote against the bill straight away. But if they feel that there is room for improving the position, then it should go to a Select Committee of the House. But let me leave the Government in no illusion, as far as this side of the House, because we are interested in attracting the best brains to this House, perhaps I should not say that, because we are interested in attracting as many good candidates as possible to the House, we think that it is important that teachers should be allowed to stand for election, should be given these 21 days unpaid leave and then resign. And I think that we will then have to deal when we extend this, the next question that will have to come before the House but I do not think it should come in this Bill because I think this is a matter of eligibility, I think the question of reinstatement should come into our minds because the Ministry of Defence public sector does have provision for reinstatement at present. In other words, in the regulations of the Ministry of Defence there is a provision for people who become Ministers that if such a person should subsequently be appointed as a Minister, he may either resign or be given unpaid leave from the date of appointment as such and then it says that if such a person resigns, he will be entitled to reinstatement in his previous appointment although not necessarily to the post previously held. The Ministry of Defence does have provision for reinstatement but I do not want to go into that, Mr. speaker, I do not want to complicate this issue which I think is a straight

issue and that is, does this House believe in a furtherance of the democratisation principle of people being able to stand without levying acute penalties on them. If we are, we should support this Bill, if we think the Bill does not go far enough we should move amendments to make it go far enough but we should support the principles of further democratisation of Gibraltar. Mr Speaker, I commend the Bill to the House.

MR SPEAKER

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

HON CHIEF MINISTER

Mr Speaker, I want to deal first on the first point raised by the mover and that is on the Constitutional position. It is up to the House to propose legislation on any subject defined or non-defined but, of course, if precisely under the Constitution on which the Mover has laid so much stress there is provision that when the Governor signifies his decision that the matter is a non-defined domestic matter then, of course, the Constitution itself says that that cannot be done without the consent of the Governor. I am not going to say whether that is right or that is wrong, that is the law in the Constitution. But this is no surprise because it is the same Constitution which was operating in July, 1969, and for two years and 10 months after, with a Government that was as determined to put teachers in as the Leader of the Opposition is today, they had a majority, they were in Government for two years and ten months and surely they, with all the strength of the majority and the new blood that was brought into office, were not able to persuade the then Governor, or the then Administration or the then people at the Foreign and Commonwealth Office that this was a defined domestic matter because if that had been the case a Bill would have been brought. This debate has been going on since those days because that was one of their first aims in their Party and they started to advocate that and I was then Leader of the Opposition and I was consulted and I expressed my views and it is obvious that the Governor of the day was minded or advised the same as the present Governor is, that there is an aspect of non-defined domestic matter because it is not it is an indictment to the IWP Government that in two years and ten months they were not able to produce a Bill and now, in the Opposition,

they are able to produce one because it is a Private Member's Bill and it has had, as I have said before, it has had that consent. And if that is the case, as my Honourable Colleague reminds me, the fact that we did not support it did not apply. If it is a defined domestic matter it is the province of the Government of the day to do so and the Governor must approve it whether officials want it or not. Why it is that they bring in the Opposition into this matter, alright, for consultation, but if the consultation led to nowhere and the Chief Minister of the day had been convinced and was right in saying that it was a defined domestic matter he should then have made an issue of it with the Governor of the day and brought a Bill to this House which he failed to do despite considerable amount of argument. And we are in exactly the same position now as we were 11 years ago, exactly the same position, to the same extent, certainly, constitutionally. Our view has been consistent in our attitude to the civil service though, of course, we have and we have as we normally do because this is the attitude that has been always the attitude of my Party, that it is a forward looking party and, perhaps, we do not want to go as quickly as other people in some respects but we are more radical than Honourable Members opposite who are described by all visiting people who see them as extreme right, they all find them as real diehard conservatives but, anyhow, be that as it may, I remember very, very long discussions with Maurice Xiberras with whom we argued this at length and we went to the extent of putting in columns what we agreed, what they agreed and so on, in order to put an agreed front so that the Government in the United Kingdom made up their mind whether they would pursue this or not. This was for two years and ten months on a matter which the IWP had made great stress on the fact that people should stand for election particularly teachers, it is exactly the same now as it was before yet they failed to produce a Bill, they failed to produce a Bill utterly and we may hear interesting reasons from the then Chief Minister why he did not do it, but he did not. That is a fact. Therefore, in so far as that is concerned, the question of who should stand for election or not now comes into what I call the domestic field because we ourselves have our own views, whatever the attitude of the Governor may be, as it was in those days, because in the days in which we were in Opposition we were objecting as we object today to teachers being able to stand for election whilst they were teachers, we were against that and we are still against that. That is fundamental AACR policy and it is not because we have not got a teacher who has done well. We are proud of the one we have but it is not for that, it is because we feel very strongly, and this is nothing new to members opposite, we feel very strongly that there are areas where in a place the size of Gibraltar it is not a

question of whether somebody is up in Newcastle-on-Tyne as a teacher and sitting in the House of Commons, it is a question of having somebody round the corner who hates your guts and your face and who is determined to carry out anything in his profession, anywhere, to try and bring you down and this is typical of Gibraltar, this is typical of Gibraltar if there are people so minded. I do not say that they are, I pay great tribute to the profession. Perhaps the most significant thing about the profession is that all this worry about teachers, the teachers as a body have never come forward and said they want this right that some people are wanting to cast down their throats. None of them have done so, collectively.

HON. P. J. ISOLA

If the Chief Minister will give way. I think I said in the last meeting that this is one of the things the Teachers Association brought up with the Minister for Education and the Minister for Education told them he had consulted the Chief Minister and he told him he was against it. I do not know when it was but the Minister for Education will no doubt be able to enlighten the Chief Minister on that.

HON CHIEF MINISTER

They may have raised it but certainly they have pursued other matters where they have found resistance much more vigorously and have not left it simply because they were told that it might not succeed. In other matters they have taken it as far as they have wanted to and that is their right but the fact is that they have not done it in this case. Anyhow, perhaps we can look at the lighter part of the problem and that is that in so far as the Bill relates to the eligibility for election of employees of the United Kingdom Departments in Gibraltar there has been a significant change in this matter. Perhaps I should preface these remarks, as well as any others that I make, that I do stand for extending the right of people to stand for election, we have always stood for that, and we do stand for amplifying it subject to principles which we hold dearly and which I hope will be as respected as we respect the views of other people. We do stand for extending the right and we have made strong representations as a result of which I am glad to be able to inform the House that a new approach has been agreed with the British Government. The present position is that any non-industrial employed in the United Kingdom Departments in the Clerical Officer grade or in a grade prescribed by the Governor as being equivalent to it, may stand for election and need not resign if elected. The point is that the present Bill would perpetuate this method of regulating the eligibility of these employees, that is to say, it will seek to continue placing on the Governor the responsibility for deciding on the basis of middle managerial

rank or below it, which grades should be eligible. Instead, the Gibraltar Government has proposed and the British Government has agreed, that the United Kingdom Department should be regarded in respect of this particular matter as being very much in the same position as any private employer with regards to any possible clash of loyalty or responsibility on the part of any of their employees wishing to stand for election to the House. That is as a result of our consistent policy.

HON P. J. ISOLA

It is as a result of the Bill I have brought to the House.

HON CHIEF MINISTER

No, it is not as a result of that, it is as a result of years in which we have been dealing with this and in which the ambit has been increased. If you want to take the credit I do not care, that is what you are here for, to try and get everybody else's credit, the second engine, the first engine, the power station. Everything that we do is due to these wonderful people opposite who when in Government failed thoroughly and those who were not in Government have not got a clue. It has been therefore agreed that no employee of the United Kingdom Departments should be barred by law from being able to stand for election and that it should be those departments in their capacity of employers who should decide on the basis of local establishment code which of their employees should be restricted in their eligibility to stand. This is a big change to something which we achieved after considerable difficulties in the times of Alan Lennox-Boyd of having been able to get the Grade 1 clerks of the MOD, this was done by the AACR. This was the spearhead of this decision which was introduced as a result of pressure which we brought in the days when Alan Lennox-Boyd was Secretary of State for the Colonies. The establishment code proposed would be drawn up by the United Kingdom Departments in consultation with the Gibraltar Government which, of course, has an interest in the matter as some of the employees in question could be involved in or have a direct knowledge of confidential dealings with the Gibraltar Government. It is the understanding of the Gibraltar Government, which has been consulted, that under the proposed establishment code all employees of the United Kingdom Departments in Gibraltar up to the rank of Executive Officers, as well as grades the maximum of whose salaries do not exceed the Executive Office Officers maximum, will be free to stand for election and, if elected, to take their seats without being required to resign except, of course, when such a person is appointed a

a Minister. The effect of the arrangements I have described would be that an anomalous legal bar to the civic rights of the employees of the United Kingdom Departments will have been removed and an additional number of some 100 employees of the United Kingdom Departments who are at present debarred will in future be able to stand for election. Members of the Gibraltar Security Police will, of course, continue to be unable to stand. We do not want any Tejeros round the place. It has also been agreed with the United Kingdom Departments that if an officer at Executive Officer level or below elected to the House of Assembly works in an area which involves sensitive exchanges with the Gibraltar Government, and it is not thought that this is likely to happen often, a transfer to less sensitive work would be arranged. The idea is that if somebody who is of an Executive Officer grade is in a department which deals with matters with the Government, then of course the fact that he is elected would make it possible to change him about in order that it should not be unpleasant or embarrassing, to say the least, to either the Government, his employer or the officer concerned. Any such cases would be discussed between the Gibraltar Government and the United Kingdom Departments at official level. The arrangements discussed and agreed with the United Kingdom Departments fully meet the point raised by the Honourable Leader of the Opposition during the debate on the motion for leave to introduce the Bill, that is to say, that all grades of employees of the United Kingdom Departments below Higher Executive Officer level will be eligible to stand. Because of the new approach which I have described, the whole form of the Bill will have to be changed. In addition, and in any event, the Attorney-General considers that the drafting of the Bill could be improved upon and, finally, our own views as to the substance of the Bill in relation to employees of the Gibraltar Government itself make it necessary to alter the Bill. A new Bill has accordingly been drafted by the Attorney-General and I have copies available here for circulation to Honourable Members. This side of the House will vote against the motion for the Second Reading of the Bill presented by the Honourable Leader of the Opposition. The Government's own Bill will be formally published in the near future. The grades listed in the draft Bill which I am making available to Honourable Members now are those which I proposed in the discussions with the Opposition in December of 1979. This list is subject to review but the draft Bill substantially reflects the Government's views. We have not - and here I will deal now with the areas in which we differ - we have not been

able to see our way to include either teachers or nurses into the areas of those that could stand for election whilst in office. Because if, in fact, it is so important that these grades should be able to stand and it is of very little significance whether they have 21 days leave or not, it is equally easy for them if in fact they want to stand to resign and stand for election and then if they are not elected we have discussed the matter that in most cases there would be no difficulty in returning back to their jobs.

HON P J ISOLA

If the Honourable Chief Minister will give way. In most cases, what does that mean, that if a teacher who stands for election is particularly virulent about the Government in office and they get back he will not get his job back? Why does the Chief Minister say "in most cases".

HON CHIEF MINISTER

Because it is not a matter for us, it would be a matter for the administration because of vacancies and promotions and things like that.

HON P J ISOLA

In 21 days?

HON CHIEF MINISTER

Yes, possibly. In any case that is a matter which I am entirely relaxed about, I would leave that entirely to the administration, I am not concerned with the details of that. I am only saying that if it is too important for anybody to stand for election it is equally possible for them to resign 21 days before and stand for election so that the question of 21 days is equally unimportant one way or the other.

HON P J ISOLA

Well, Mr Speaker, if the Chief Minister undertakes in this House that a teacher who resigns would be reinstated if not elected, and would not be told that he would lose all his gratuity and all his pension rights, if he gives us that assurance then, perhaps, we are getting much nearer.

HON CHIEF MINISTER

I have given way four times, now I will not give way any more. I cannot give that undertaking because employment in the service is not a matter for Ministers, it is a matter for the Public Service Commission and therefore I am in no position to do so and that is one of the points that make clear that there is a considerable element of non-defined domestic matter in this because it affects the administration and the administration is not a defined domestic matter. Incidentally, this Bill provides precisely for the point that is not provided in the other Bill of the undertaking to vacate the seat if he does not resign within the month as is provided in the Constitution. You will see that the form is really much more in consonance with the Constitution, it is the Attorney-General's draft, it is not a political draft but it is on instruction in so far as the Government policy is concerned. It will be seen from the new draft Bill that the Government's views as expressed previously in this House continues not to coincide with the views held by the Opposition. In particular the Government, as I have said before, does not agree that teachers or any nursing officer of the grade of staff nurse or above should be eligible to stand for election. At the same time the Government is honouring its own undertaking not to be negative in this matter and it still prescribes a number of grades and posts the holders of which would be eligible to stand for election under certain conditions and without previously resigning. Altogether, approximately a total of 750 officers would be covered by the Bill leaving approximately 1,000 officers, including some 200 police officers, who would not be eligible to stand. This represents about 7% of the total number of electors on the register. That, Mr Speaker, is the Government's view on the situation which hopes, if the Honourable Leader of the Opposition would not take exception to that, is that the important change which has come about in respect of the Ministry of Defence requires a fundamental change to the Bill, the draft itself from the drafting angle was not reasonably acceptable to the Attorney-General and then it incorporates the matter as we see it. We are prepared, of course, to consider particular grades within the list that we have published as we did before and wherever possible give way in order to enlarge the list as much as possible. There may be some mistakes in the list which will have to be reviewed but, generally speaking, it proposes to re-affirm the Government's policy, the Government's view, which have been somewhat changed from 1969 and 1970-71-72 and even into the time when we went into Government again and then continued to discuss this matter with Mr Xiberras when he was Leader of the Opposition and have moved away as we did at that time the question of industrials, the question of many others which have not been included because of the merger of the

City Council and so on, all those are included there and the Bill gives the required undertaking of the Constitution and whether we enlarge it further or not is a matter for discussion when the Bill is published. I cannot at this stage make any comment on the question of the possibility of a Select Committee, that is a matter that will be considered when the Bill is published and it comes here for Second Reading.

The House recessed at 7.00 p.m.

FRIDAY THE 13TH MARCH, 1981

The House resumed at 10.35 a.m.

MR SPEAKER

I would remind Members that we are now on the Second Reading of the Bill moved by the Honourable Leader of the Opposition.

HON MAJOR R J PELIZA

Mr Speaker, we heard the Leader of the Opposition yesterday making what I thought was a very clear case for the principle that on this question of eligibility for standing for election, as a result of the last Constitution this House has a very definite say provided that the provisions limiting the rights of this House in that respect were adhered to in the sense that if a civil servant is elected he has to resign. That is what the Leader of the Opposition said yesterday very clearly.

MR SPEAKER

Yes, but perhaps one must be very clear as to the interpretation that one gives to the Constitution and I do not want to be misunderstood. Under the Constitution the prerogative to say as to whether the House has the right to deal with any matter which closely relates to a defined domestic matter or a non-defined domestic matter, is exclusively the prerogative of the Governor.

HON MAJOR R J PELIZA

I have no doubt that that is the way it is down in the Constitution but I do not believe that the Governor, whatever discretion he may have, can, in fact, act in such a

way which is contrary to the Constitution, as my Honourable Friend suggested it was, because then he would be acting ultra vires.

MR SPEAKER

Clause 35 (1) of the Constitution is very clear. It states that: "Except on the recommendation of the Governor signified by the Financial and Development Secretary or by a Minister, the Assembly shall not:

- (a) proceed upon any Bill (including any amendment to a Bill) that in the opinion of the person presiding in the Assembly makes provision for imposing or increasing any tax rate or duty, for imposing or increasing any charge on the revenues or other funds of Gibraltar, etc."

In other words, in so far as revenue raising measures are concerned whether any given measure is such, the criteria must be decided by the person presiding over the Assembly which is the Speaker. Paragraph (2) says "Except with the consent of the Governor, acting in his discretion, signified by the Attorney-General or by the Financial and Development Secretary, the Assembly shall not proceed upon any Bill (including any amendment to a Bill) that in the opinion of the Governor, acting in his discretion, signified as aforesaid, relates to or closely concerns a matter that is not a defined domestic matter". If the Governor signifies that any particular matter closely concerns a matter that is not a defined domestic matter then this House needs the consent of the Governor before we can proceed on the matter. I am talking exclusively of ultimate rights and nothing else.

HON MAJOR R J PELIZA

I see that, Mr Speaker. What I am saying is that the case that my Honourable Friend made yesterday, he contends that under the Constitution this House can, in fact, proceed on this matter of the eligibility of the electors to stand for election provided that we abide by the Constitution. Therefore there is, in my view, a clash in that if this is so under the Constitution and the Governor has got at his discretion the right to stop that from being acted upon, then it could be argued, if this was true, that the Governor was acting ultra vires, that is what I am saying. I am sorry that so far we have heard no argument from the Government to clarify that matter. All that we heard yesterday from the Chief Minister was that the IVP, and of course he was referring to me, when he was in Government did you get on with this, suggesting therefore that I was

recognising that there was this right of the executive in Gibraltar to stop the legislature from proceeding on these lines. I should, therefore, Mr Speaker, explain why I was unable to proceed the way that I wanted to. First of all, one has to realise that in those days the allowance received by elected members was very small indeed, it was a question of a few hundred pounds and therefore it was really a waste of time to go ahead with a Bill of the nature that my Honourable Friend has introduced because even if we had been able to get it through it would have been impossible for people to take advantage of the new facilities that the Bill would provide. Therefore in those days, and I think today I would not be able to get it through, I felt there were a lot of civil servants who could stand for election and still remain in the service, a contention that my Honourable Friend on my left still holds today. And it was on that score, Mr Speaker, that I did not proceed and it is because of that that I had to get the support of the Opposition which, unfortunately, I could not get.

HON CHIEF MINISTER

If the Honourable Member will give way. He is completely incorrect. The question of civil servants remaining in service whilst these discussions were on never arose. It was a question of whether it was a defined domestic matter or not, of whether the Governor was seeking the advice of the Leader of the Opposition on a matter which he thought was much wider than a defined domestic matter. If it had been a defined domestic matter there would have been no need for anybody to interfere, so to talk now about the time when they wanted to keep people in service, it never arose. The fact is that they never did anything and now they want to do it from the Opposition after 2 years and 10 months in the Government and they now say that we have the power that they did not have and the Constitution has not changed.

HON MAJOR R J PELIZA

Mr Speaker, that is not so and this, I am sure, can be borne out by people who were in my Party at the time.

I see no harm in a teacher standing for election and staying as a teacher provided, of course, that he can fulfil the functions of this House and the functions of a teacher. Indeed, I think we have in one or two cases firms in Gibraltar who have allowed their employees to take time off to attend to the functions of this legislature and I still

see no harm that in many instances there are civil servants who could continue to carry on working as a civil servant and still participate in the work of the legislature. Therefore, Mr Speaker, in those days what we did is that we produced a very long list of civil servants, by function, and we decided that there were certain functions within the civil service which could in no way interfere with their impartiality simply by being elected to this legislature. Unfortunately, Mr Speaker, we all know that for reasons which were very serious reasons, this was not just to do with Major Gache, but also to do with the question of the lease. I decided to go to the people. Unfortunately, because of that, I was unable to do what I had wanted to do for a long time. In these 2 years and 10 months, Mr Speaker, we had to do a lot, a hell of a lot. We carried out the biggest development programme that Gibraltar has ever known up to then and we had to do many other things like tackling the question of labour which, as you know the frontier was just closed just before we came in and there were many, many other problems that I think we did very efficiently and effectively. It was just a great pity, Mr Speaker, that we were unable to get that thing through before the election because if that had been possible we might have been able to get candidates of a much higher status and perhaps the whole course of Gibraltar might have taken a different one altogether. I think, Mr Speaker, that it is very important if we want to live in a true democracy, that the people of Gibraltar should not only have the right to vote but also the right to stand for election because so many of the people in Gibraltar are civil servants that that takes away a good percentage of the population who are able to exercise their full democratic rights. If one looks, Mr Speaker, at some nation on the other side of the iron curtain, we will find that they call it democracy. Yes, democracy, the right to vote, Mr Speaker, but not the right to choose candidates that could be representatives of all the classes, the right to vote for the Communist Party, Mr Speaker, but for no other party at all. That, Mr Speaker, is not democracy in the Western sense. I think that we are aiming at democracy in the Western sense and in that respect so far here we may not have half democracy but we only have  $\frac{2}{3}$  of democracy and what this side of the House says is that we want full democracy and it is very interesting, Mr Speaker, and perhaps the Chief Minister does not realise this, I know he does not, it is very interesting that by maintaining this sort of closed shop, it is only possible almost for 40 years for one party to get into Government. It is obvious, Mr Speaker, that anyone who knows anything about democracy knows that this is extremely strange because in every democracy there is a swing from one party to another but not in Gibraltar. Why is Gibraltar different to all other places? If Gibraltar cannot have a better

Government than the one we have had for the last 12 months and the one we had in the previous four years, then we are in a very sorry state here in Gibraltar. I am sure, Mr Speaker, that any Member of Parliament knows very well, whatever he may say here, when he goes back he knows something is wrong and, in fact, I have been asked and in fact I have written to them about this and in fact they have had something to do with this business of the Ministry of Defence at least allowing their people to stand for election. I have written very long letters, Mr Speaker, during the last six months because I have had a number of Members of Parliament interested in this topic and of course I will have them even more interested now because it is a Constitutional issue which we have to look into.

I am looking forward to hear what the Attorney-General has got to say on the Constitutional side because this is fundamental to democracy in the Western world and above all, Mr Speaker, all the elected members here are the guardians of the Constitution just as much as the Governor is and if we are given certain rights I am sure that every Member of this House would like to keep those rights and if there is any doubt whatsoever that there is a conflict here between the Constitution and the powers of the Governor I am sure that every Member of this House would like to look into it because the responsibility is ours and above everybody, of course, the Chief Minister. If the Chief Minister can come with a clear case and state that what I am saying is utter nonsense, let him say so. He did not answer, Mr Speaker, the Leader of the Opposition at all and I think the Leader of the Opposition made a wonderful case yesterday, quoting from the Constitution Mr Speaker. In reply we only had the red herring that the IWSP did not do it whilst they were in Government. That is no argument, Mr Speaker, that is no argument at all. Even if I had been wrong then, which I was not, but even if I had been wrong then, even if I had been wrong, two wrongs do not make a right. And if I was wrong then he is wrong now.

HON CHIEF MINISTER

Mr Speaker, the point is that he was right then and I am right now, that is that the Constitution has only got one way of reading it.

HON MAJOR R J PELIZA

That, Mr Speaker, is a matter which will have to be looked

into and I do not think that we can flog that horse any more here now. I am just looking forward to hear the Attorney-General because it would be very interesting, Mr Speaker, to carry on from there if it is necessary to do so. I am pleased that whatever obstacles we are finding and we are going to find both from the elected members on the Government side and from the Executive. I am pleased that the bringing of this Bill to this House notwithstanding the Chief Minister has to give an undertaking to the Governor that he and his Ministers would vote against it, notwithstanding that undertaking, Mr Speaker, I am very pleased that the Leader of the Opposition had the resilience of bringing it forward because already we have achieved something. We made the Chief Minister refer the matter to the UK Departments and perhaps the best thing that I can do here is to quote from the Hansard. Page 155 of the Hansard of the meeting of the 17th of July 1980. The Chief Minister said: "For one thing I have asked that the Ministry of Defence should be asked formally what their views are and not just rely on particular persons who may be in a particular job at a particular time". I do not know what he meant by that, but all I know is that he did make reference because of this, Mr Speaker, otherwise it would not have been done, because of the pressure put on by the Opposition, to approach the Ministry of Defence and get this through and I must say that I have also been working on this at the other end as well. I am not suggesting that what I did carries any weight but I do believe that the fact that we are pressing on this matter, that the matter is coming to a head even constitutionally and that at the last election my Honourable Friend went to see the Minister who was here at the time Mr Hayhoe who got to know what the problem of Gibraltar was and obviously people did nothing there at the time, all those matters that were revolving on this issue I think, Mr Speaker, have produced the wonderful result that at least those civil servants in UK Departments for which there was absolutely no case for being disallowed to stand for election as we see now, for which there was absolutely no reason why they could not exercise their full democratic rights in a democratic place, all those people now will be enjoying full democracy in Gibraltar and this we owe to the courage and, I think, the knowledge of my Honourable Friend the Leader of the Opposition. There is no one that can take that away from him because if he had not brought this Bill to this House that would not have occurred. I do hope that my Honourable Friend on the left who like me feels that more should be done, realises that even if we go slowly we are getting something whilst if we want the whole lot at once we are getting nothing. I think that if we look at the Hansard

he will see that although he thought that it was going to be a farce because of what the Chief Minister had said that he had had to give an undertaking and therefore he thought, well, what is the point of discussing this Bill, what is the point of introducing the Bill to the House, he will now find that at least on the question of the employees of the Ministry of Defence, that has been achieved and that is a great step forward.

#### HON CHIEF MINISTER

It has nothing to do with the Ministry of Defence, Mr Speaker, nothing whatever to do with the Ministry of Defence. The indication of the Governor that this was not a defined domestic matter has nothing to do with the Ministry of Defence it has to do with the administration of Gibraltar. The Ministry of Defence is a separate matter which he dealt with and the results of which have been seen.

#### HON MAJOR R J PELIZA

The Ministry of Defence, Mr Speaker, for a long time has not given way on this and the Chief Minister certainly has not tried in the past and this is why we have not had it. Now we have got it because he referred the matter, as I quoted from the Hansard before, he referred the matter to the Ministry of Defence not before - then. Now we are left, happily, with a smaller number of Gibraltarians who cannot exercise their full democratic rights and purely as another red herring the Chief Minister produces a list in a draft Bill which he is not going to introduce now in which he gives the number of people who might be able to stand for election knowing perfectly well that people of that status in Gibraltar by and large are not interested, and, secondly, even those who are interested find it extremely difficult to get in because of the way Gibraltarians think. If one looks at past elections one sees that most of the people who get in are either lawyers, teachers or self-employed people. It has been proved time and again that the professional man has got a much better chance of coming in than other people. Take the example of my friend on my left, Mr Bossano, who has the support of labour in Gibraltar. On two occasions he has carried a candidature and who are the people who have gone in with him? A doctor, a businessman, a lawyer. What about all the others, what about the Secretary of the Union? What about the other people who are with him? Why were they not elected?

HON A J CANEPA

Because they were not good enough.

HON MAJOR R J PELIZA

It is not because they are not good enough.

MR SPEAKER

Order, let us not speak across the floor of the House. I have said this over and over again.

HON MAJOR R J PELIZA

It is a good sign, Mr Speaker, when there is interruption from the other side of the House.

MR SPEAKER

It may be a good sign but it is the good conduct of the House that I am concerned with.

HON MAJOR R J PELIZA

So, Mr Speaker, it is obvious in Gibraltar that if we want to see democracy we have got to allow more people to stand for election and particularly a class of people who we know stand a chance of getting in. I think we shall be able now to get lots of other people who are employed by the Ministry of Defence. I have no doubt that there are very capable people there who I am sure will impress the electorate, so that is a very good step forward. But there are two other professions in Gibraltar, Mr Speaker, who I think could make great contributions. I am referring now to Staff Nurses and above, and the teachers. It has been clear that on two occasions when teachers have stood, they have got in. It is also clear that their contribution to this House has been second to none. It is a great pity that this wealth that we have in Gibraltar within the teaching profession, we in this House should prevent from being utilised for the good of Gibraltar and that the Chief Minister should be the first obstacle towards achieving that and other Ministers who, perhaps, are afraid of more competition, Mr Speaker, which is in fact what happens in one-party states, they do not want competition except, of course, that there they cut their

heads off and here we, I do not think we will ever reach that stage but certainly, Mr Speaker, I think there is nothing to be proud about being in Government if the full functions of democracy have not been allowed to proceed and this is precisely what is happening in Gibraltar today, less in the next elections and, I hope, even less in the following one. Could the Chief Minister not see his way, even at this late hour, to allow teachers and nurses to stand for election? If he were to do that, I would really consider it a great deed on his part. There is nothing more difficult, I think, for a man who has opposed something to agree but at the same time there is nothing greater than that and, therefore, Mr Speaker, my esteem of the Chief Minister would rise considerably if he agreed to it. The Chief Minister must not believe, Mr Speaker, that I do not recognise his ability as a politician, that he has good points and that he has done many good things for Gibraltar. Not because I oppose him must he think at any moment that I am completely against everything he does, that is not my view of democracy. He knows that on many occasions in this very House I have said so, I have agreed with him and I have supported him but not if I cannot. I think, Mr Speaker, that he himself gave to understand yesterday when he said that in the majority of cases if a teacher were to stand for election and not get in, in the majority of cases the possibility was that he would be re-employed. So, really, there is no practical objection to it, it can be done, there is no problem. What the Chief Minister is not prepared to do is to make it easy for them, that is the point. This is why the whole principle falls because we know that it can be done. All we need is for the teachers to take that extra plunge, take the risk and then, of course, he will get in again because there is no question, the Government has said it quite clearly now, there is no question of saying to the teacher: "No, because you stood for election, you will never be re-employed any more as a teacher in Gibraltar". That has not been said and if that is the idea of the Government they better say so now, but I do not think that is the idea. I would suggest to a future candidate that if he sees that the Government is employing 27 supply teachers there is really no risk of his standing for election and then if he is not elected coming in again. So if that is alright what can be the objection of doing it the proper way, Mr Speaker?

The objection can only be either being haunted by the idea that teachers are completely going to revolutionise Gibraltar by belonging to a political party which they belong in any case, is that what they are afraid of? One has to accept that all professions have got their own

etiquette. We have lawyers and businessmen here and there is no doubt whatsoever that we can utilise this for our own benefit if we wanted to. We all know we make a declaration of our interests but we all know that is neither here or there, in the end it is a question of honour. We all know that a lawyer if he knows what is going on inside Government he can advise his client either directly or indirectly about what is going on. We all know that a businessman who is in Government and knows there is a project coming as you know that this is what is going to be required you can start working a little bit faster than others in getting the supplies for that. But there is within the human nature a certain self-respect which prevents you from doing it because you are doing a different job. It is like a lawyer when he is advising a client, he has his etiquette, he has his loyalties, and he is not going to mix one and the other because that has been inbred within you through your professional training and the surroundings in which you are in, it prevents you from doing it. I have no doubt that a teacher who is a vocational teacher will not try to influence his pupils in any way politically, of course not. He will speak his mind here but when it comes to the classroom if he is a good teacher that has nothing to do with it. I would say that if that applies to a teacher it applies even more so to a nurse. What can a nurse influence in a hospital. Mr Speaker, what is he going to do there, bring the whole national service down? How can we expect to believe that? In what way is that going to undermine Government? Mr Speaker, I have made my point and it is now up to the Government to think again. I suppose one can assume that one is hitting one's head against a stone wall. Well, I am glad that I did not think so before the Leader of the Opposition decided to bring the Bill in at the time of the motion and I am also glad that he did not think so because if we had then this first step would never have been taken and I do not believe that the people in the UK Departments would have been able to get the full franchise that they have now. The co-operation, Mr Speaker, of the UK Departments is to be praised and admired. They have gone out of their way to suggest to the Government that if any of their members, if elected, has a position in which he is dealing confidentially with the Government, they are prepared to change it. Our own Government are not prepared to do that, they are not prepared to say: "If there is a teacher who is now in a position where he might influence, we are prepared to change him round to another place". They are not prepared but the United Kingdom Departments are prepared to do so. If the Government had a will to see this through they would have come out with suggestions of their own to overcome this great problem that I do not believe exists but that they see as so

ominous for Gibraltar if they were to allow teachers and nurses to stand for elections. This is all we are asking for at this stage. As my Honourable Friend said, we believe in extending the number of people who can stand for election but we are also, I think very realistic, Mr Speaker, and we know that, perhaps, even what we are asking for is going to be very difficult to get. Having got this far, if we ever get it, we will then take another step and get a bit further. I do not think that I can convince the Government, unfortunately, but I do hope that I can convince the gentleman on my left, my friend Mr Bossano, to vote for the Bill because although I understand his feelings, I think he must accept that even a slice of a loaf is better than no loaf at all.

HON M K FEATHERSTONE

Mr Speaker, we have had an exposition of what is democracy a la Major Peliza and I must say that I have never heard such a travesty in my life. It seems that if the electorate, in its perversity continues to elect the same party into office at subsequent elections, then democracy does not exist and I am sure there must be a number of nations throughout the world who, according to the Honourable Major, cannot be democracies, I think France might be one of them. I even wonder if following the referendum, I think it was 1967, in which Gibraltar decided a certain way on its future, a referendum had been held every subsequent year and I am sure in each of these subsequent referenda the Gibraltarians would have voted just the same way, then according to the Honourable Major Peliza they would be a perverse electorate, there would not be true democracy . . . .

HON MAJOR R J PELIZA

If the Honourable Minister will give way. I think he is completely confusing everything deliberately in that what I said was not that you cannot elect the same party again, it is that you should have enough candidates in the election to be able to overcome that. As regards the referendum, Mr Speaker, a referendum is not an election. A referendum has nothing to do with an election, in a referendum you are voting for a particular issue and not in any way concerned with the personalities who take part in an election. I think he is completely off the mark.

HON M K FEATHERSTONE

I still maintain that if the electorate in subsequent referenda continue the same way then the Honourable Major Peliza would say this was a perverse electorate and it was not true democracy. After all, have we not had elections with 25 or 27 candidates, I think that was a fair cross-section, there were all sorts of people, there were businessmen who did not get elected, there were lawyers who did not get elected, there was a doctor who did not get elected. After all, the Honourable Major Peliza says that what we want is to widen the scope so that we can get people of higher status. I think that is a pretty good reflection on the people that have stood up to now and perhaps a bit of a reflection on the members of this House. We are not of sufficient status for the Honourable Major Peliza. Perhaps, he is the one whose status might be modified in the light of some of the other people. We want to see, obviously, that the candidature for elections should be as wide as possible. One must accept one's criterion, people in the higher executive positions and people in positions of rather considerable delicacy may not be able to stand. This is nothing new, this appertains in England but we have the very interesting situation in which the democrats, the Honourable Major Peliza, goes even further than in England. We would like people to continue to be civil servants and Members of the House. They do not even do that in England. Of course, the Honourable Major Peliza now living in England, is more English than the English.

HON P J ISOLA

If the Honourable Minister will give way. That is wrong, there are a class of civil servants in England who can stand for election and stay in office. They cannot in Gibraltar. As a Minister they even have to resign directorships in England.

HON M K FEATHERSTONE

Yes, I think the class of civil servants who can stay in office are messengers at the Foreign Office door, etc. One of the interesting things in the Honourable Mr Isola's Bill is the way it makes a rather invidious comparison. It says that people of the grade of clerical officer or equivalent or below the grade of clerical officer should be allowed to stand for election. I presume that is based on the responsibilities of a clerical officer and

the emoluments paid to him. Yet we are in the second clause that teachers, other than Head Teachers and Deputy Heads, should be allowed to stand. This would make, I am sure, a rather invidious comparison, firstly on the question of salaries in which many of the teachers who the Honourable Mr Isola would like to be able to stand would be getting considerably higher emoluments than a clerical officer or a grade below, and many of them would be in positions of responsibility. They may not be Heads or Deputy Heads but they could be Heads of Departments or Deputy Heads of Department and in quite a lot of administrative capacity. Therefore, if the parallel is going to be kept it has to be a reasonable parallel both on responsibility and on salary grades and we have come forward with a possible Bill of our own in which we give quite clearly what we consider are the posts which may be acceptable both on the question of not too great responsibility and not too great delicacy and we do allow enrolled nurses, so we have nothing against the nursing profession as such. What we do have is a qualification that when you get into the higher responsibility grades then the fact that you are more responsible must preclude you from candidature. After all, teachers are civil servants, they often say they do not think they should be civil servants and yet they are quite willing to accept the benefits of being civil servants, perhaps they should also consider the other side of the case. I must admit that the Honourable Major Peliza does keep us amused but it seems rather strange where he says "We had to go to the electorate and we did not have quite time to get this ready". But from our records we did not find any Bill in preparation for widening of the candidature so it appears that his getting the things ready were more a figment of his own imagination than actual practical reality. We are offering a Bill which is going to widen the candidature quite considerably, which is going to give most of the people not in the employment of the Gibraltar Government the opportunity to stand. I say most of the people because there are a few people in the service of the United Kingdom Government who will be precluded and which is going to offer most of the civil servants or the employees of the Gibraltar Government the opportunity to stand if they are not in the upper echelons of management or in a position of delicacy. I would suggest that it would be a more elegant method for the Honourable Mr Isola to withdraw his Bill and to accept our Bill rather than to have his Bill thrown out as he knows it is going to be and perhaps suffer the ignominy of having put forward something which he knew from the beginning was doomed to failure.

RON J BOSSANO

Mr Speaker, as I said when the Motion asking for leave of the House to introduce a Private Member's Bill was debated, I was in favour of the motion because it would give us an opportunity to debate the matter but against the proposals contained in the Bill introduced by the Honourable and Learned Leader of the Opposition and that continues to be my view and has been indeed reinforced by the stand taken by the Leader of the Opposition in introducing the Bill to the House. It seems to me totally absurd to hear the sort of impassioned speech that he made in support of enfranchisement and the extension of democracy and finish up by asking simply for 21 days unpaid leave for Staff Nurses and Teachers. The sort of arguments that were put up were arguments which I believe in myself, which I have put in the House of Assembly on a number of occasions over the last six years, which I put particularly in 1976, prior to the 1976 Elections when the matter was debated in the last time a Bill of this nature came before the House. Those arguments are not arguments for saying that a teacher must be given 21 days unpaid leave because it does not solve anything for a teacher. If there is a case, then the case is a more fundamental one and a more radical one and that is the one that must be argued and to say in defence of that, as my Friend the Honourable and Gallant Major Peliza said, that half a loaf is better than none is, with respect to him, utter and complete nonsense. What the Honourable Member of the Opposition is asking for is not half a loaf, it is not even a quarter of a loaf, it is a breadcrumb. He should understand that he is going about it the wrong way because the arguments that he is putting are weighty arguments but have no relation to what he is asking for because what they are asking for is an insignificant difference, it does not alter anything, it maintains the situation the same. I do not know whether it is really that he genuinely believes that that is the most that can be obtained in which case I cannot understand why so much argument is put in favour of such a small advance or, alternatively, that it is purely a political gimmick to say that you have done something to extend the right of people to stand for election. All that is being asked for is that somebody should give, obtain 21 days unpaid leave and then have to resign at the end of it. The only thing that he gives, apparently, is greater prospect of re-employment because the job is guaranteed at the end of 21 days, that is all. I think, certainly from what I know, that most of the people who are not prepared to put their jobs at risk would not find that they are and in any case I think the whole emphasis is misguided, the whole emphasis that we must extend the list and let me say that in terms

of what is being obtained, as I understand it, the amendments proposed by the Government in their proposed Bill, and I cannot accept that it is due to the courage of the Leader of the Opposition that we are getting a Government Bill which seems to give more than what the Opposition is asking for. They give it to a different category because the Opposition seem to be concerned almost exclusively with teachers, maybe they have got a prospective teacher candidate, I do not know. The list, as far as I am concerned, covers a very large proportion of non-industrial workers. It is not enough for me because I do not want them to be given unpaid leave, I want them to be allowed to retain their employment after election. I want the industrial workers to be allowed to retain their employment after election and I fought for that in 1976 in this House, Mr Speaker, and I was the only member of the House to vote against the Government proposals in 1976 because Mr Xiberras at the time accepted the argument that the Foreign Office has a very substantial say in this matter and said that although they would not be voting in favour of the Government proposals they would not be voting against either because the proposals had been put to the Foreign and Commonwealth Office on the understanding that there was a consensus between the two sides of the House, a consensus to which I was not a party. I was against the proposals then, I am against the Bill that the Opposition has brought to this House because for me the principle at stake is not challenged by this Bill. I do not agree, Mr Speaker, as the Honourable Mr Canepa has said, that the candidates put forward by my Party in the last election did not get to this House because they are not good enough. It may be that the people who had to vote thought they were not good enough but I can assure the Honourable Member that in my humble estimation if the people took the care and the trouble to fill up those benches they might well come to the conclusion that a lot of the people in the House today are not good enough if they heard some of the speeches made in this House all the year round because there is an awful lot of nonsense, Mr Speaker, with all due respect to Honourable Members, spoken in this House. I accept that what one might call middle class intellectuals have got an undoubted advantage in linguistic ability over industrial workers but not necessarily in grey matter. I dispute that because lawyers have got a facility to use language they are any more competent, qualified or intelligent to decide affairs of state than industrial workers because there are industrial workers in nations all over the world deciding affairs of state at a much higher and responsible level than in Gibraltar. We have had people who have come up from the shop floor, national leaders like Jack Jones who

started his life as a docker and finished up heading a Union of two million workers, taking decisions that no member of this House of Assembly would take in 200 years, of more significance in the world than anything that is decided here. They would have no chance of election to the House of Assembly in Gibraltar, a docker in the House of Assembly? It is unheard of he has got to be a qualified nurse or a qualified teacher to make it. I know I should not be so concerned if one is to go by the analysis made by the Honourable and Learned Leader of the Opposition because in his introduction he said that when we are talking about political involvement of civil servants we could not really do away with it, it is a fact of life, civil servants have got political loyalties and it is said they are either AACR or DEBG. I can tell the House one thing that all their proceedings are being recorded by a member of the Executive of my Party and that the tapes are kept on when everybody else is speaking as well as when I am speaking. I do not accept that political commitment is something that influences ones obligation to ones employer. I think that civil servants understand the difference and I think it is particularly absurd of course in the case of the industrial workers which have not formed part of the proposals of the Government and not formed part of the proposals of the Opposition. I would like to take this opportunity of saying to the Government that when the Bill that they propose to introduce, which I will support, comes before the House I will propose an amendment to give industrial workers in the Gibraltar Government the right of retaining their employment the same as industrial workers and now non-industrial workers will have in the MOD. I would remind the Honourable and Learned the Chief Minister that this was something that I proposed in 1976, that the Government was unable to accept it at the time but that he said that part of the reason was because I had given too little notice of it and that the Government could not take what he considered to be a substantial amendment just like that but that in fact he was asked specifically whether he considered that industrials had a conflict of interest and his answer was no. This is on page 203 of the Hansard of 18 May 1976. The Chief Minister then said that the question of the conflict of interests as are as their policy was concerned did not apply to industrials and therefore I shall be moving an amendment to give effect to this when the Bill that the Government intends to introduce comes up at the Committee Stage at the appropriate time but I am giving the greatest possible length of notice before to the Government in the hope that that means that I have got a better chance of getting it accepted. My main emphasis has been in support of allowing industrial workers to retain their employment. I gave the example in 1976 of my own personal experience of being told that if I took a job,

because I was unemployed in 1973, if I took a job as a night telephonist I would be asked to give up my seat in the House because it was not allowed. I have made the point more than once, Mr Speaker, that it is nonsense to suggest that an electrician or a sweeper or a driver would have his professional duties affected by his political ideology or by the fact that he is here in this House. He may have very little chance of getting elected, I am not disputing that, it may well be that the people of Gibraltar will not give their support to an industrial worker and get him elected to the House of Assembly because they may think that the fact that that person is not used to public speaking, the fact that he cannot make as good a show on television or as good a show in a speech on the street in an election campaign means that he is less well qualified to be in the House of Assembly. Perhaps they are not mistaken if all that we are doing in the House of Assembly is making speeches but in fact if we are doing something more important and more serious which is to try and find collectively acceptable answers to the problems that affect our community, and I think this is what the House of Assembly is about and this is what it is for, we are supposed to be here not just to score constantly political points but to try and use our experience of life and our intelligence to resolve Gibraltar's problems in a way that is acceptable to the greatest number of people and we are supposed to be barometers of what people want outside the House. I think in order to be effective barometers the House should be a microcosm, and I use the same words I used four years ago, a microcosm of society at large so that we do not just hear what lawyers think is right or wrong about gaming machines or X-films or anything else, we hear what other people think about it. It is a bad thing, in my view, to have a House of Assembly that is exclusively a reflection of one segment of society. Members of this House have not always had the same employment. It may be that if the Honourable Mr Loddoo had been employed as a Health Inspector he would not have been able to stand anyway. I do not think that there is any conflict between his being here and being a trader as opposed to his being here and being a Health Inspector. I think if the conflict is that if you have got a way of earning your livelihood outside the House of Assembly which provides you with a vested interest, then that is going to affect your political activity in the House of Assembly then in fact nobody in the House of Assembly should be allowed to have any other means of earning a livelihood and people here should be paid even more than they are paid today so that they can be totally financially independent. Given that there is only a guarantee of four years employment in the House of Assembly the

incentives would have to be very high indeed to make people willing to stand or else we would only get people standing who have very little to lose, one of the two extremes. We cannot afford to go along that way in Gibraltar. Our democratic system requires the maximum possible participation. I believe that extending simply to people who are in higher paid white collar employment the opportunity to stand would not make a significant difference to this House in terms of the type of people that we get here and consequently the type of viewpoints that the House would see reflected when anything was debated. Members have to recognise that there is a difference in the approach, in the perspective that one applies to a problem depending on one's position in society and the manner in which one earns one's livelihood. It is inevitable that the fact that I am a trade union official as my full-time employment will have a bearing on how I focus any problem in this House and if I was not here, Mr Speaker, if my employer took the line of saying no, that was a particular philosophy within the Union at one time and it caused a lot of trouble. There were people who said: "No, if you work for the Union then we refuse to allow you the right to stand for election".

HON CHIEF MINISTER

If the Honourable Member will give way. Is that not still the case with regard to the Resident Officer?

HON J BOSSANO

Mr Speaker, that is the case in the United Kingdom as regards a full-time official. It is not the case in Gibraltar, as I understand it, because the employer of a full-time official in Gibraltar is Transport House in London and what they have as part of their employment policy is that before somebody takes on a job as an official in Transport House he is told that he is on duty 24 hours a day, seven days a week and he is not allowed to have any outside interests of any description. He is not allowed to have a part-time job, a part-time business or a part-time political activity. That is a condition of employment laid down for full-time officials in the Union in the United Kingdom, so it is not that people are not being told that they cannot be in politics because it is in conflict with the Union, not in Gibraltar, because the position is that in Gibraltar we ourselves decide our own policy locally. If it was a question of standing for the

United Kingdom Parliament then the same rules would apply. In fact, in the United Kingdom there are officials of our Union and of other unions who participate in Local Authority elections and who are Councillors and that is considered to be something that is not taking up sufficient of the time of the union official to interfere with his obligations to his employer.

HON A J CANEPA

If the Honourable Member will give way. Would he clarify a point? Does that mean that in the next General Election the Partido Socialista de Gibraltar are likely to present a candidate?

HON J BOSSANO

I do not know whether they are likely to or not. I can only say to the Member that I know of the PSG policy the same as he does which is what I read in their newspaper and the reason that they gave at the last election for not standing was:

- (1) that there was a crisis in the capitalist system which made it not worthwhile to stand for the House of Assembly in Gibraltar and
- (2) that it would weaken the AACR Government to have a very low poll.

I imagine those two considerations will still apply in the next Elections because I do not see the crisis in the capitalist system having been resolved because they did not stand the last time. In approaching the problem then, Mr Speaker, in terms of numbers I think that extending the franchise downwards instead of upwards would effectively give the opportunity to a greater number of people and makes the argument against doing so less valid and, as far as I am concerned, is a more radical move because we are talking about allowing people to retain employment instead of simply being given unpaid leave. I accept that in practical terms the prospects of being elected for as long as people attach importance as I have said to the performance in an election campaign in terms of being able to express ideas fluently in English, may mean that we will still continue to have a House of Assembly that contains primarily lawyers and businessmen and doctors and professional people and I accept that the electorate does show this what I would call conservative element in its voting behaviour. I think that is a fact of life that has to be accepted by anybody on the left and I believe in

democracy and I believe in accepting the decisions of the electorate even if I disagree with them. I do not blame the AACR for having been returned to power election after election. I blame the people of Gibraltar for doing it and I say the people of Gibraltar must suffer the consequences. Every people everywhere that have got the right to have a Government gets the Government it deserves and what they have not got the right to do, in my estimation, and I have said it inside the House of Assembly and I have said it outside the House of Assembly on more than one occasion, is to spend four years moaning about the AACR and then obviously put them back because they want them back. That is what they have not got the right to do. As far as I am concerned the election campaign of the GSLP was quite a clear one. We said we have got enough candidates to make an impact on the Opposition, we have not got enough candidates to go for Government, we believe that the more of us that you put in the greater the effect that we will have on the decisions taken in the House of Assembly and the greater the influence we will have on Government policy. The response that we had was that they put just one of us in, me. As far as I am concerned for the next four years I shall do my utmost to influence decisions in this House of Assembly so that at the end of the four years I can say to the electorate: "This is what I have achieved in practical progress, in practical results", and then give the electorate the option to either put me back or not put me back or put more representatives of my party in this House which is the right that they have got. If they decide that they do not want me here it is their prerogative not to put me here, Mr Speaker. I do not expect gratitude, I am getting paid for doing a job, a job that I get a lot of satisfaction out of. I like it so much that I would probably do it even if I was not paid for it because I get so much pleasure out of it and I think those of us who get satisfaction out of political involvement have got to realise how fortunate we are to be able to do something which we like doing so much, and on top of it get paid because most people have to do things they do not like to for money. I think, Mr Speaker, that it is a very good thing that the Bill has been brought to this House because it is a very good thing that this matter should be discussed intelligently and that it should be discussed in depth. Let me make just one final point, Mr Speaker, as regards my own approach to this problem of who is to be allowed to contest an election to the House of Assembly and who is not to be allowed by virtue of his employment. First of all, as I made clear in 1976, where in fact I had some very harsh words to say to the Honourable and Learned the Chief Minister which I will not repeat now because I do not say harsh things as much as I used to in the past. It was a spontaneous reaction to

the impression that he created by something that he said on the general principles of the Bill that, effectively, it was the Foreign Office who had vetoed any attempt to extend the franchise. I think that was corrected by the Honourable Minister for Labour, Mr Canepa, who said that regardless of the Foreign Office policy it was ACR policy. I accept that I have to put up with AACR policies whether I like them or I do not because it is apparently the will of the people that it should be so. I have the right to criticise them but I have got an obligation to accept that that is a decision that the electorate took in 1980. But I do not accept that the same applies to the Foreign Office. I do not have to accept anything at all the Foreign Office says because I have not been elected to this House nor has anybody else been elected to this House to do that. Foreign Office policy has got to be defended by Her Majesty's Government and we are here to defend the views of the people of Gibraltar. Therefore, I agree entirely with the point made by the Honourable and Learned Leader of the Opposition that it is primarily a matter for us to decide how we conduct our own internal affairs and who is eligible and who is not eligible to the House of Assembly. Secondly, I do not think we can have two classes of citizens in Gibraltar. Either we say that nobody can have outside interests if they are members of the House or else we should go the other way and not only ensure protection of employment in the public sector but, in fact, ensure protection of employment in the private sector. People in the private sector can be put under pressure and I think this is something of particular concern, for example, to those of us on the left. It is obvious that if we have a candidate who stands for election on a ticket of nationalisation he is going to have a very rough time with any employer in the private sector. I think that just like we have got protection against victimisation, against unfair dismissal for the exercise of the right to join a trade union in our law, then we should also have the right in our law of protection against unfair dismissal for the expression of political views. I think that is an important thing and therefore we should be looking at it in that light, in having a standard approach which is applicable to all members of our community who have the right to stand regardless of who their employer is. I accept that in practical terms there are bound to be a small minority of jobs in the public service where it would be impossible for a Government to treat the advice as politically free, politically unbiased if that person was also having a prominent and active role in political activities not just as a member of the House but in fact as a member of an executive or political party or as a public spokesman for that party. It would be impossible for somebody that is

involved in assisting the development of policy at the same time to come out publicly criticising that policy but I think that affects only a very small minority. Certainly, it would not affect anybody in industrial employment because they are not involved in policy decisions at all and today they enjoy the right to criticise Government policy quite vociferously and publicly as trade unionists and they do it all the time and nobody considers them as being disloyal civil servants as a result and as far as I am concerned political activity is simply an extension of that, it is an extension in terms of a medium, a forum, an area where matters are taken up in defence of working class interests which trade unionists find they cannot take within the existing machinery and the next step is to try and get the machinery changed, the law changed, the framework changed, and that is a natural extension of their trade union role and if it is accepted that civil servants can be active trade unionists and civil servants and that there is no conflict and it was not always accepted, there were times when people used to be sent letters under Colonial Regulations if they took industrial action, Mr Speaker, but that is something of the past and we now have to take the next logical step in that process and understand that we can only make Gibraltar a better place by encouraging greater participation rather than discouraging it as we are doing with our present framework of law.

HON A J CANEPA

Mr Speaker, I think we should all be grateful that when Major Peliza was a member of the Gibraltar Defence Force and the Gibraltar Regiment he never went beyond the rank of Major. Had he reached the rank of Lieutenant-Colonel I think he might have already staged a coup d'etat in this House in order to prevent the AACR from continuing in Government all these years.

HON MAJOR R J PELIZA

I am not sure whether the Honourable Member has to withdraw that remark.

MR SPEAKER

May I say, to be quite honest, that I was thinking about it. I am sure, though, that it was said in a jocular manner.

HON A J CANEPA

I think we should be thankful for small mercies and I think the House will note that when we had a Lieutenant-Colonel on our side between 1969 and 1973 there were no problems because we chose our candidates very, very carefully and it should be noted that Major Peliza left the AACR some thirty years ago.

I want to continue, Mr Speaker, with the last speaker, Mr Bossano. I share, to a very large extent, his approach and his reasons for being here as a member of the House. This is a job that I myself enjoy thoroughly and I think that Mr Xiberras enjoyed it thoroughly as well and, perhaps, that is one of the main differences between what Mr Xiberras and what I did in 1969 and in 1972 and what perhaps other teachers have failed to do. Maybe they do not love politics sufficiently, maybe they are not convinced of the extent to which they can make the contribution to public affairs in Gibraltar to take the plunge that we did. The Honourable Mr Bossano said that the Bill that the Leader of the Opposition has introduced in the House does not alter anything. My own view is that as far as the EPBG are concerned it does make a lot of difference because it would enable one or two people, a teacher in particular, to play safe. It appears to me that one or two prospective candidates of the Party of members opposite have a lack of confidence in their ability to be elected. I am not going to say that had the EPBP in the past and then the EPBG adopted a much wider approach that their campaign would necessarily have prospered, it might not have done so in any case, but I think that their mistake over the years in their approach has been that their campaign has been on an ad hominem basis. In 1969 it was because of Mr Xiberras and in 1980 it was because of Mr Beltran and when you approach matters in that way I think you weaken the whole basis of your arguments. I want to deal with certain technicalities which my Honourable Friend Mr Featherstone referred to and I would like to enlarge upon them because I think that it will be helpful not only for the present debate but for the debate that undoubtedly will take place when the Government Bill is introduced. This is the technicality as to what the exact status and description of teachers is because in the manner in which the Honourable Leader of the Opposition has framed that in his Bill I think it would have led to problems in any case. Teachers are no longer classified straightforwardly as qualified and Graduate Teachers. If Honourable Members will analyse the Estimates they will see that they are all teachers other than Head Teachers or Deputy Head Teachers. Therefore what happens is that apart from these two categories, whether you are a

Graduate or whether you are a Qualified Teacher, a teacher starts on Scale 1. There are five basic salary scales in the career structure and a teacher starts on scale 1 when he first starts teaching and then moves up along those scales depending on promotion. When they are appointed to what is called a graded post of responsibility they move usually from scale 1 to scale 2, sometimes to scale 3. Heads of Subject Departments are usually on scale 3 or scale 4 or perhaps the scale for senior teachers or we can best call it scale 5 here. Additionally, there are posts of a pastoral nature, such as Year Tutors. These, in the Comprehensive School, are also scale 4 posts. The position is not that straightforward in that you can say that it is only Head Teachers and Deputy Heads who are involved in the administration of the School. I have no doubt that in Comprehensive Schools of the size of the two that we have in Gibraltar, both the Head of Subject Departments and the Year Tutors have got much greater administrative responsibilities in the running of the school and are more involved in policy decisions. I do not mean political policy decisions, I mean policy decisions within the school of an educational nature than is the case of a Deputy Head Teacher in a small primary school. The manner in which the Honourable Leader of the Opposition has framed this piece of legislation would not meet that point. There is also the problem of subsequent re-employment because if a teacher occupies a post as a Head of Department, scale 3 or scale 4 post, and stands for election, under the present state of affairs he has got to resign, I think the likelihood would be, I have no doubt, that there would be a job going for him. That does not mean that he would necessarily get the previous job that he had, that if he was the Head of a Subject Department, he would automatically be able to step back into that post.

HON P J ISOLA

If the Honourable Minister would give way. Is that the same position with civil servants who are teachers or in other employment in Gibraltar and who go on maternity leave for two months, is there a possibility that they get a different job?

HON A J CANEPA

The remark has been made during the course of the debate that re-employment is not a problem. I am saying, regardless of whether you have the arrangement of 21 days of leave without pay, if you do not have that under the

present situation, re-employment in the previous post can mean a problem for some teachers. It is not a problem where a teacher is on scale 1, because then he would automatically come back into scale 1. It is not the terms of employment of the Gibraltar Government alone but it is the Burnham structure of promotion and so on on which our procedures are based that would create a difficulty. I have no doubt that the moment that a teacher stood for election and if he had to resign, there would be other teachers who would be out for promotion and I have no doubt that the Teachers' Association would insist that the promotion post, I am not saying as I say that a teacher could not come back in immediately on scale 1, but I am saying that to get his previous post on scale 3 or 4, he would have to re-apply competitively for a post that would be advertised. This is a technicality, it could be a difficulty, but I thought that it would be valuable if I were to make the point. As I say, the problem insofar as the particular and the specific prospective candidates that we have had is not that alone. Major Peliza said, "What is the problem of going further and allowing the 21 days?" What is the problem, I say, of any prospective candidate from the ranks of the teaching profession standing for election today, not ten or eleven years ago, standing for election in February, 1980, when even if they are elected to the Opposition Benches they knew that there were going to get a very substantial salary, very nearly as high as what they were getting in any case if they were only a scale 1 teacher. They knew that there was a pension scheme going now for Members of the House of Assembly which did not exist ten years ago, what is the problem? Or did they not have sufficient confidence in their ability to be elected? Was that the real reason?

HON P J ISOLA

If the Honourable Minister will give way. The problem was that if they did not get elected they were out of a job and without means of maintaining the family and that is an unacceptable sacrifice which this House should not force anybody to make.

HON A J CANEPA

That is nonsense, they would not have been out of a job. They might have been out of the scale 3 post that they held, but not out of a job. They would have come back at scale 1 and their salary would have been more than enough for them to keep their family. They would have lost their pension rights because there was a break in service.

at the time but that is also something which is going to be put right because there is going to be a new pension scheme introduced and there will be provision for pension rights, perhaps, to be preserved.

I think the problem was basically one of lack of confidence. The prospective candidate did not have the confidence in his ability to be elected that Mr Xiberras and I had when we stood for election because we were confident that we could make the grade and that the people felt that we had a real contribution to make. That has been the problem and at the time when we stood the allowance of a Minister was £700 a year, of a Member of the Opposition it was £350 a year and we were giving up pension, gratuity, everything, all prospects of security. That was not the case in February, 1980, and I think a great deal of progress has been made in making it much more straightforward for people to have the courage to come forward and stand for election. Major Peliza spoke about the Government doing what the MOD has agreed to do and moving teachers about; he said. That is nonsense. I am appalled that a man who has been Chief Minister of Gibraltar should suggest that teachers can be moved around that easily. It is impossible, you cannot move around a specialist teacher who might be a graduate in mathematics in the Comprehensive School and because he stands for election, he is elected and becomes a member of the Opposition, say: "I am now going to move into a less sensitive area. I am going to stay here to teach four-year olds in a primary school". What nonsense to say a thing like that and that just shows the lack of care and thought that is given very often in this House before standing up and taking part in a debate. He said that there is no harm in a teacher staying on after being elected. It is impossible in the majority of cases to have a teacher spending, as we are likely to be spending next month, seven or eight days here in the House and neglect the school for seven or eight days. What matters more, that a teacher should be here making a contribution to a debate on the Estimates or to be looking after the children that he is paid to teach? Isn't that point also important? I say that there has got to be a clear-cut decision taken. Either you are a teacher and remain in the schools or you leave teaching, you stand for election and you come into the House and you pack up teaching once and for all but you cannot have both because you cannot be a good member of the House of Assembly and devote the time that politics deserve to be devoted to it, and be a good teacher and prepare the work that needs to be prepared and take the interest in the school that needs to be taken.

The two are incompatible and I know what I am talking about because I taught for ten years and I have been a member of this House for 2½ years. Yes, I will give way to the Honourable Leader of the Opposition.

HON P J ISOLA

First of all, the Minister may care to comment on the fact that the Bill will not permit that situation because the teacher would have to resign. Secondly, the Minister may care to comment on the fact that when he was a teacher he was also a politician and an active member of the Executive of his Party.

HON A J CANEPA

I am going to comment on that in a moment but that has got nothing to do with the Bill. If Major Peliza speaks of many irrelevancies we have to answer them. Let me now speak on the position of myself and Mr Xiberras. I became a member of the Executive Committee of the AACR in November 1963. I remember the date because it was the 21st Anniversary of the foundation of the Party. Between 1963 and 1969 I kept a low profile. I never took part in any public debates, I was just a member of the Executive, I attended meetings and that was the extent of my involvement in political matters. But in 1967, when I was teaching in the Grammar School and there were another two teachers who were members of the Executive Committee of the IWP and a bye-election was held which Major Peliza was a candidate against Mr Emilio Alvarez, these teachers arrived in School in cars which had election stickers and they campaigned openly on behalf of the IWP. That started to change my attitude, if they could get away with it, perhaps so could I. So after 1969, after Mr Xiberras had stood for election for the IWP and came in, shortly after 1969, when I felt the urge to come in and make a contribution, I also started to involve myself openly in political matters. I was appointed Conference Chairman by my Party and I took part in public debates and criticised the Government of the day and I got away with it but that does not mean that that was right. I only did it because other people had been allowed to get away with it and when I had been a member of the Executive Committee of a political Party for four years previous to that I had not done it and I had adopted a very low profile. That is the real reason behind the matter and I have no doubt, and I would agree, that as far as standards of behaviour are concerned, the point which Major Peliza made, that a teacher worth his salt will not bring politics into the classroom and I know that Mr Xiberras did not bring politics into the classroom as

Mr Xiberras knows that I did not, but not every teacher is worth his salt and there are teachers who are politically motivated to a different extent and have been known to use the children for political aims and that happened shortly before the February 1980 General Election. Let us get things clear because if things have got to be said openly they have to be said openly. What I think is not acceptable is that Major Peliza should assume that the majority or all teachers and nurses in any case support the IWBP or the DPBG. If his sources of information are within the Boys' Comprehensive School I can tell him that that is not necessarily the yardstick by which to judge the whole of the teaching profession. There are many teachers, quietly, in other schools elsewhere, who, when the time comes to go to the polls go along and quietly vote for the eight candidates of the AACR or for a majority of ours. Hence the point that the Honourable Mr Bossano made about the acceptability of our party to the electorate. I think, Mr Speaker, that perhaps it is just as well that the AACR in the past took the stand that it did, particularly in 1972. If it was as a result of that stand that the AACR won the 1972 General Election and not the IWBP it is just as well from what we have heard in the House today. What a reflection on the candidates who stood in 1972 to say that unless teachers or nurses could have stood then the IWBP candidature was a weak one. That is nonsense, they had a strong candidature in 1972. People who had come in to Government in 1969 in very difficult circumstances and who had acquired the experience of Government for three years. It was not a weak candidature. I do not think that the Honourable Mr Isola or his brother were weak candidates. Nonsense, it was a very close General Election and I do not think that if there had been a teacher instead of Mrs Smith who was a very well-known person in Gibraltar, who had been involved very actively in affairs in Gibraltar, I do not think that it would have made any difference. The fact is that I think that a sufficient number of people in 1972 in a two-horse election had made up their minds that they wanted the AACR in. That is the real reason, not whether teachers or nurses or whether there was more or less enfranchisement, that was not the point at all.

I know that the Honourable Member when he was Chief Minister took a very strong stand on another constitutional issue as regards a certain matter which was considered should not go to Council of Ministers but should go directly to Gibraltar Council and that Ministers collectively should not have an opportunity on the defined domestic aspects of that matter to put their views forward. I shall tell him privately what I am referring to. I know that he took a stand on that constitutional issue. I know that he was vigilant to that extent and if he did on that issue, I cannot accept that on the constitutional aspects of the problem he would

not have taken a stand between 1969 and 1972 because they were too busy, and if they were too busy what about the Honourable Mr Isola? He was a backbencher between 1969 and 1972, we all know how capable he is. Whilst Leader of the Opposition he has been able to find the time to draft this Bill. What stopped the Honourable Mr Isola between 1969 and 1972 from bringing a similar or a more far-reaching Bill? He had the time, he had the ability to do so. That is a very weak excuse, Mr Speaker, and it is not conducive to raising the standard of constructive debate in the House to make weak and irrelevant excuses of that nature. The Chief Minister's Bill is the result of discussions that took place prior to the last General Election when the list that now forms the Schedule to the Bill that the Government will be bringing to the House, when that list was put across to members of the Opposition with a view to allowing those people to stand for election. That is what we have done, what was not accepted prior to the 1972 Elections we are now doing because of the problems at the time, not because the Honourable Mr Isola has now brought the Bill. In fact, the intention was to introduce pre the February 1980 Election but there was not agreement between the two sides because the DPBG members wanted to have their way because they were approaching the matter, I repeat, on an ad hominem basis and Mr Beltran would not have been able to stand for election in any case unless he resigned and the Bill that the Government is bringing to the House is also the result of what I would say, how should I describe it, yes, we could have been caused political embarrassment at the time by the decision that had to be taken by the administration, by the Executive, on the case of Mr De Veras. A matter on which Honourable Members opposite will recall we were not involved in in that we withdrew from that meeting of Gibraltar Council. To avoid a repetition of that kind of thing the Chief Minister, having been returned to office, has done the responsible thing and that is to avoid a repetition of that happening. Not only because it can be politically embarrassing to the party in office but because it is only right and proper that that should be done. Those are the immediate causes behind the Bill that the Chief Minister is bringing to the House. A Bill which Major Peliza has described as a wonderful result, he said. It could have been done prior to last February but he said that much more should be done. If that is his attitude he should not be supporting the Bill of his Honourable Leader if he thinks that much more should be done, because Mr Bossano is not going to support it because he feels exactly the same way, but of course in that case there is a party whip and the Honourable Member is indiscreet enough to tell us what his own views are and does not present the united front with his colleagues of saying: "Well, this is what we are all agreed on". Much

more should be done, he says.

HON MAJOR R J PELIZA

Mr Speaker, if the Honourable Minister will give way. It is clear, even the Leader of the Opposition has said this is a first step and I understand it and I agree entirely. I have expressed what the final aim is and I have influenced my Party as much as possible to get there but I know perfectly well that one has got to be practical and you cannot take the rather impractical stand of my Honourable Friend, Mr Bossano, where obviously he is going to get nothing.

HON A J CANEPA

Mr Speaker, the experience both in the 1976 and 1980 Elections is that there is no shortage of candidates in Gibraltar. That is a definite experience. As far as the working classes are concerned I regret that the position is that unless a member who comes from the working classes has got the benefit of higher education, usually in the UK, or a very good secondary education in Gibraltar to the extent of good GCE's and perhaps A levels, he is not apparently able to convince the electorate that he is a person of sufficient calibre to be elected a Member of the House. It is undoubtedly very much in the nature of things that the training and the experience which teachers and lawyers acquire in the sense that in one case a teacher has to perform, if you like, before a class, a much more critical audience, particularly if it is a sixth form, I may assure members opposite than we are likely to meet in any political campaign, of course he will acquire the expertise and the ability to put things over. Likewise with a lawyer, that is the fundamental issue. But that does not mean that some of us teachers do not come from the working classes. Some of us have been active trade unionists but that is to my mind a fundamental problem. It is not so much one of democracy, it is the educational background and opportunities that people have had. But I feel, to end, Mr Speaker, that democracy not only requires that as many people as possible and, incidentally, I ought to mention that Mr Albert Risso was elected to the first Legislative Council. He was an industrial worker and there was no problem there, he was an employee of the City Council, and the man had a certain charisma with the working classes and that is what took him through but today, because of other reasons, the only man who seems to have the same charisma is the Honourable Mr Bossano, so he is the only grass roots member of the working classes who is

returned to the House. Even to the extent of one of his own candidates who had been a very active trade unionist, Mr Feetham, he fell short, he did not find acceptability. But I was saying to end, Mr Speaker, that democracy does not just require that as many people as possible in a nation should be able to stand for election. I think one of the cardinal pillars of democracy must also be that public servants who serve the Government of the day should be above party politics, that they should be impartial and what is more that they should be seen to be impartial and these views, let me add, are very strongly held by the Party in office today. We hold them as dearly and sincerely and we feel that they are as important to the conduct of public affairs in Gibraltar and I accept that Honourable Members opposite may hold other views. I think they have to give us that much credit in our consistency over the years on this issue because, ultimately, it is a matter for us, I could not agree more, and because it is a matter for us for as long as we have anything to say this is the view that we are going to hold, this is the view that we are going to put across to the electorate and let the electorate decide.

HON ATTORNEY-GENERAL

Mr Speaker, I would like, if I may, to refer to some considerations that I took into account in drafting the Bill which has been referred to by the Honourable the Chief Minister yesterday. It is not always convenient, if one is proposing changes to a Bill, to amend somebody else's draft. In fact, it is generally easier to re-draft a measure oneself. That was a fact that I took into account when I decided to approach the new measure by way of a re-draft. The other fact I would just like to refer to briefly is that the existing legislation has been in force now for five years and in approaching it I did want to look at some aspects of that legislation as having been in effect for that long and to take that into account when I was re-drafting the measure. Mr Speaker, I would like to respond to the invitation of the Honourable and Gallant Major Peliza to comment briefly on the constitutional position. The provisions of the Constitution are essentially permissive and I think this is an important point and in my experience, and I think it would be the general experience of Members, what the Constitution provides is important not so much in its literal effect, in the application of the literal provisions but rather in the practice that is adopted in applying those permissive provisions. The Constitution does provide that the Legislature, and I would not like to be interpreted as commenting on a decision that you have made, Sir, but it does provide for the Legislature of Gibraltar, the

Gibraltar House of Assembly, to deal with both defined domestic matters and non-defined matters and it also contains procedural provisions when a non-defined matter is affected and I do not think that there is any question, if I may say so, of anything being ultra vires, these are different permissive provisions in the Constitution. What seems to me to be important is that in this case and having regard to questions of practice is that what Section 28 of the Constitution says, in effect, is this: "That no person who holds office under the Crown may be a candidate for election or may sit as a member of the House of Assembly unless the Gibraltar Legislature provides otherwise". I take that to be the important constitutional consideration. The section is concerned with the eligibility in law of persons to participate in politics in Gibraltar. The Gibraltar Constitution deals with it. The Constitution provides for the Gibraltar Legislature to legislate to modify that basic rule. It is an important point of emphasis, I think. Action to modify the principle must be undertaken in this Assembly. The fact that matters that are non-defined domestic matters are involved does not, in my view, affect this.

HON P J ISOLA

Mr Speaker, it has been said that I am a powerful arguer but I am afraid I have failed completely in that Honourable Members on the other side of the House and, indeed, the Honourable Mr Bossano have failed to grasp the issues in my Bill, have failed to grasp the Constitutional position. In fact, it is always a pleasure and a joy to listen to the Honourable Mr Bossano in this House but the whole of his speech was irrelevant to the issues that we can argue and discuss here under the Constitution, unfortunately. What I tried to do in my opening was to try and impress upon Members of this House that the only thing that the Constitution of Gibraltar allows us to do is to allow civil servants to go on leave for 21 days and that to try and alter that provision requires an alteration of the Constitution of Gibraltar. It is not possible for the Honourable Mr Bossano to move the amendment that he says he is going to move when the Chief Minister presents this Bill because the amendment that he proposes to move is an amendment that will allow civil servants, a class of them, to stay in office even though they are elected to the House. That would be an unconstitutional amendment to the Bill because the Constitution says that the legislature must provide: "If he undertakes to relinquish or, as the case may be, to cease to act in that office if he is elected as an elected member of the Assembly". Therefore, all the legislature can provide, without a change in our Constitution, is for a civil servant to stand for election

whilst a civil servant but to resign immediately after and that is the essential difference between the Gibraltar and the British position where civil servants or a class of them can stand and if elected can stay in their position. The Honourable Mr Bossano can make an impassioned speech just as well as I can, the only thing is that he speaks always with logic, he likes to feel that people think he speaks with logic and I speak with emotion. I am impassioned, he is logical. Possibly so, but what he says is not possible and his moving an amendment to the Bill will get him nowhere because his amendment cannot be accepted by a Government that is trying to run a Constitution. His amendment just cannot be accepted in my reading of the Gibraltar Constitution Order.

HON J BOSSANO

If the Honourable Member will give way. Does not the argument of the Honourable and Learned Member equally apply to the employment of the Crown in the UK Departments, because this was the same argument and the same case that was put prior to the 1976 amendment and prior to what the Government says it proposes to do in that it will allow civil servants employed in the UK Departments to retain their employment and is it not the case that the Constitution does not make a distinction between the civil servants who are employed by the UK Departments and the civil servants who are employed by the Gibraltar Government and was not in fact the Public Service Commission Ordinance altered a number of years ago to eliminate this distinction and to consider all those people who are employed in the public service equally civil servants whether they are employed by the UK Departments or the Gibraltar Government precisely because the Constitution does not make a distinction between them, is not that the case?

HON P J ISOLA

Mr Speaker, the Honourable Member may be right, I do not know. I have not looked at the position of UK Department employees. He may be right and actually if he is right and if there has not been the suitable alteration then I would imagine they would have to resign. I have not gone into that because as I have seen the UK employer is in a different position and in fact it is quite amenable, as I was told, to changes in the law as far as they are concerned.

HON J BOSSANO

If the Honourable Member will give way. The Constitution, according to the Honourable Member, does not permit us to make provision in our law to allow a civil servant to continue in employment, whether that civil servant is a non-industrial or an industrial, and he has made the point in relation to the proposal that I will move eventually to make this provision for industrial workers. I am saying to the Honourable Member that that provision in the Constitution would equally debar us, if it was true, from doing what we are already doing and from having done in 1976 what we did in 1976. The industrial workers in the Dockyard in 1976 were allowed to stand for election and to retain their employment notwithstanding the fact that in 1976 the Constitution considered the industrial workers in the Gibraltar Government and the industrial workers in the UK Departments equally employees of the Crown. Is this not the case?

HON ATTORNEY-GENERAL

Mr Speaker, if the Honourable Member will give way to me on a point of clarification.

Do I understand the Honourable Member to be saying that Gibraltar law cannot provide that a Crown Officer, whether he is in the employment of the Gibraltar Government or the United Kingdom Departments, Gibraltar law cannot provide that he may continue in employment and sit in the House at the same time?

HON J BOSSANO

Yes.

HON ATTORNEY GENERAL

Mr Speaker, with respect, one of the points of Section 28 (4) is to enable such a law to be passed by this House.

MR SPEAKER

Provided he resigns.

HON ATTORNEY-GENERAL

Not necessarily, Sir. There are two options, as I read this section, the first is to say you may hold office and may also keep your position in employment. You may hold office as an elected member of the House and also keep your position or it may provide for the lesser alternative of saying you may stand for election as a candidate and that one requires you to resign your position as a public officer provided that if you are elected you undertake to resign. There are two alternatives.

HON P J ISOLA

Mr Speaker, I am glad to hear that but that is not the way I read it, I am afraid. That may be so but that is not the way I read it and if that is the case then of course we will support any amendment the Honourable Member puts in but that is not the way I read the section. The first one allows the Legislature to have somebody stand for election. The second one says how he may stand as a candidate but there it says only if he undertakes to relinquish his office.

HON ATTORNEY-GENERAL

If the Honourable and Learned Member will give way again, Sir. I think they are alternatives. I should say my view is that they are alternatives. In the one case a person may be elected, as in the case of industrial grades, in the other case a person may be permitted, if this House passes a law to that effect, to stand but must give an undertaking to resign if he is elected.

HON P J ISOLA

Anyway, Mr Speaker, if that is the case I am delighted but that is not my reading of the Constitution at all. That- ever the position may be, Mr Speaker, the point that I was trying to make on this from the beginning was that the Bill was not saying that people could stand for election and stay in office, that is not what my Bill is saying, and a lot of the arguments that have been addressed to this House by Members of the Government side have been based on their reluctance to allow civil servants to stand for election and stay in office. That is not what the Bill is seeking. Mr Speaker, a lot again has been said as to the history of the question of civil servants standing or being allowed to stand for election. I cannot agree with

the impression that the Government has sought to give that in this matter they have been enlightened or progressive and that thanks to them we are now going to have this legislation. I cannot accept that, as a person who has lived the history of eligibility for election, who has lived it since 1968 when we had the Constitutional Conference and members of the IWBP, and I must ask the House to make a distinction between the IWBP and the DPBG, because there are only two members in this House who were IWBP Party members and we have four members of this House who were never members of the IWBP. With very few exceptions most people have gone through the AACR at one time or another in the history of Gibraltar at the time when we were just a one-party state and if you wanted to get on in politics you had to join the AACR, they decided whether you could carry on political activities as civil servants. When they were one party they could afford to be generous, now it is a different story. The Minister for Economic Development he is being less than fair to Mr Beltran, now that he has mentioned the name, and to the DPBG, to say that the whole purpose of this Bill is that, knowing as he does the history of eligibility and that the IWBP, the DPBG, the Independent Group in this House, ever since 1968 have said that teachers should be allowed to stand as they can contribute so much to public life. The Honourable and Learned the Chief Minister who says that they have now brought this Bill, progress and so forth, forgets that there was a gap of eight years between 1972 and 1980 which he conveniently forgets but let me tell him about those three years. During those three years unfortunately the Honourable Chief Minister of the day was much too in spirit with the Constitution, the idea that you had to get the other side to agree and he was pushed very, very strongly at that time by the civil servants, that this must be a matter of agreement between the two sides and he could never get the present Chief Minister to agree to his proposals. So much so that I used to advise him: "Why do you not just put a Bill in?" I used to push him to put a Bill through by Government majority, but he did not. He thought this was a matter that affected Gibraltar as a whole and there should be consensus and we have been waiting for consensus for eight or eleven years so that in the end just before the 1980 Election we came out as a party in our party manifesto and we said that we considered it shameful that in a democracy such as Gibraltar, where a large majority of the population worked for the UK Departments or the Gibraltar Government that there should not be a more enlightened approach to the classes of people who may stand for election and I, in the opening of the House, said we were going to put in a Bill, in February 1980, to bring matters to a head and it has been brought to a head and to a certain extent, Mr Speaker, I

know it is only breadcrumbs. as my Honourable Friend Mr Bossano says, but to a certain extent it has achieved something. There is now going to be a Bill put before the House which will improve the situation. It is not enough from our point of view and certainly not enough from the point of view of the Honourable Mr Bossano though, again, I cannot accept the logic of his arguments when he says he will vote against it because it does not go far enough. He knows and he must know because he was in the IWBP, he must know the problems facing this, he must know that what he wants is a pipedream, that everybody should be able to stand for election and everybody stay in office, it is a pipedream. He must know he will never succeed in getting that through the way he would like it. If the Honourable and Learned the Attorney-General is right in what he says he will certainly succeed in industrial employees but that was the position before 1974, so he will succeed in that, there is no question about it, I am surprised he was not able to succeed in 1976.

Mr Speaker, I have been longer in the game than he has and this is the basic trouble and I know that it is better to get something and get a go-ahead and get something else until you get into power and then you change it all. Because the first Bill that will come before the House if this Party gets into power, Mr Speaker, will be to allow teachers to stand for election.

HON DR R G VALARINO

Who is going to be the Chief Minister?

HON P J ISOLA

If I am in politics, if I am there then, it will be myself if I am leader of the party.

So that at least, Mr Speaker, we have at last got a new Bill coming before the House. The Bill that has been presented by the Attorney-General, what he has got would have been put into my Bill. In other words, it could be amended to put these things in but I know the Chief Minister likes to be able to say that it was his Bill, fair enough, I do not mind. In fact I prefer it because we will have two bites at the cherry. When his Bill comes in we will be able to move amendments that we think should be made to the Bill.

HON CHIEF MINISTER

If the Honourable Member will give way. I think it is less than fair to the Attorney-General's very honest explanation of why he preferred to draft something afresh than to pass that unnecessary remark about my preferring it to be my Bill. He has explained why he thought in the drafting stage it was better to have a new Bill than to amend somebody else's Bill because then you know exactly the way you are doing it. I could have presented amendments instead of that so this is a sheer prejudicial and unnecessary statement, perhaps, in bitterness at the failure of his Bill.

HON P J ISOLA

No, Mr Speaker, there is nothing about bitterness at all. I am saying that it would be quite simple to put the amendments that are required to my Bill to effect Government policy but I am quite happy that my Bill should be defeated if that is the way the Government want to do it. It does not worry me, it does not concern me in the least but at least we are going to get a Bill, although I was a bit concerned when I heard the Minister for Public Works say that they might refer to it "as a possible Bill of our own". I was just wondering whether the Bill might just be shown to us and then never be put on the Agenda of the House. But I am sure that is not the intention, that would be too much.

HON CHIEF MINISTER

Too much of what? I have suggested it to be published and that is that.

HON P J ISOLA

I am sorry then that the Minister for Public Works referred to it as a possible Bill of our own.

HON M K FEATHERSTONE

If the Honourable Member will give way. Since, obviously, the Honourable Mr Isola's Bill is going to be defeated, this Bill of ours, we may think that some little extras might be added to it and that would make a little change in it.

HON CHIEF MINISTER

I said that myself.

HON P J ISOLA

So that the Bill when it is published may be slightly different to this?

HON A J CANEPA

It may be even better.

HON P J ISOLA

Good. I am grateful for that explanation, Mr Speaker. I have already dealt with the argument of the Minister for Economic Development that this Bill had been put forward on ad hominem basis because it must be quite clear . . . .

HON A J CANEPA

If the Honourable Member will give way. I told him that I do not like him twisting my words and I have got a note of what I said. I did not say the Bill, I said the whole campaign of the IWP and then the DPB over the years has been on an ad hominem basis. I did not say the Bill, I said the campaign.

HON P J ISOLA

I thought I heard that in connection with his remarks.

MR SPEAKER

In fairness to the Leader of the Opposition, I think you did go on to say that in 1976 it was related to a particular candidate and in 1980 to another.

HON A J CANEPA

I said that the campaign in 1969 centred around Mr Xiberras and then in 1980 around Mr Beltran. I made no reference to the Bill itself in that context.

HON P J ISOLA

The question of teachers, this seems to be the issue with which the Government is obsessed. They do not want teachers to stand for election but in a reassuring sort of way they say but if they resign then they, possibly, will be able to re-employ them but they must take the risk. This is the argument the Government makes. I cannot understand the logic of that argument. If the Government now accepts, as they now accept by the publication of this Bill, that there are a number of civil servants who are going to be able to stand for election whilst in the civil service, they give no good reason why teachers should not be able to stand except to say that the DEBG have a candidate and therefore they are not going to allow it. The only reason I can think of is that the Government do not want the DEBG to produce a teacher as a candidate. It boils down to that, as simply as that. As the Chief Minister said, and I think it was the only time that he got really upset, when he said he was not going to have a teacher somewhere trying to bring the Government down. I do not know, Mr Speaker, how a teacher can bring the Government down unless we have a Colonel Tejero around.

HON CHIEF MINISTER

I think that is a twist of words. I never said anything like that.

HON P J ISOLA

The record will show.

HON CHIEF MINISTER

The record will show but it is not unlike the Honourable Leader of the Opposition to mis-represent what people on this side of the House say over and over again.

HON P J ISOLA

I remember quite distinctly the Chief Minister talking very strongly about a teacher and he pointed that way, and it was in the direction of the Comprehensive School.

HON CHIEF MINISTER

I know what I said. What I said was that it is very different to talk about teachers being in politics in Newcastle-on-Tyne, for example, and sitting in Westminster, than have teachers in Gibraltar who hate the guts of you trying to bring you down. That is what I said.

HON P J ISOLA

Because one teacher is trying to get him down, Mr Speaker, we cannot allow them to stand for election but it does not matter in the case of other people because as far as the Chief Minister knows there is nobody in that sector who is trying to bring him down. If he finds out that somebody in that sector is trying to bring him down then he will scratch him from the Bill, I suppose. There is no logic, Mr Speaker, in the argument of the Chief Minister especially when he says that they can resign and in all probability they will be taken back. It is the obsession of the Chief Minister and it is the obsession of the Minister for Economic Development who has decided that because he took the plunge every teacher in Government service must now take a similar plunge. I would like to examine the plunge he took and the plunge that my Honourable Friend Mr Xiberras took. I would like to examine that for a few minutes. They were well known in politics when they took the plunge because for one reason or another they were able to indulge in political activities. The Minister for Economic Development was actually able to chair a Conference of the GLP/AACR whilst a civil servant. So much for the principle that he advocates that public servants should be impartial and be seen to be impartial. He chaired a GLP/AACR Conference before the 1972 Elections and whilst he was a teacher. And Mr Xiberras engaged, as he said, in supporting my Honourable Friend in a bye-election in 1967 or 1968. These gentlemen, when they took the plunge, were known as prominent politicians. Mr Xiberras as a prominent INWP philosopher and Mr Canepa as a well-known member who had served on his Party Executive Committee for ten years almost. That is the plunge they took but a teacher now cannot be in an Executive Committee, in fact, I thought my Honourable Friend Mr Bossano . . . .

HON A J CANEPA

If the Honourable Member will give way.

So now, after all, the sacrifice that Honourable Members opposite have been saying that Mr Xiberras made, he did not

make it. It is now no longer a sacrifice. It has been devalued by a simple statement of the Honourable Leader of the Opposition.

HON P J ISOLA

Mr Speaker, I said let us look at the nature of the plunge they took. The sacrifice was there and the Honourable Mr Xiberras has paid very heavily for the sacrifice he made because he was for most of his public life in Gibraltar earning less than an unskilled labourer's wage. Now he would have been in a different position. His sacrifice was very great as, indeed, was the sacrifice of the Honourable Member but it was a much more limited one because he went straight into ministerial office. Mr Xiberras sat a number of years in the Opposition benches with very little pay and a very menial job. I do not know whether the Minister for Economic Development would have done that but the sacrifice was there, I accept that.

HON A J CANEPA

No, I would not have done that but instead what happened was that my wife carried on teaching and if I am in public life today it is thanks to my wife.

HON P J ISOLA

Well, Mr Speaker, there is another sacrifice. But I was saying before I was interrupted by the Honourable Member that the Honourable Mr Bossano was very unwise to say that there was a member of his Executive Committee actually sitting in this House taking the tapes. I understood that that is not allowed at all, it is against the rules, but in those days from 1952 to 1967 it was not against the rules, it was alright. So when it comes to the plunge, Mr Speaker, and this is what I would like the Honourable Minister to appreciate, that the plunge that he took and the plunge that Mr Xiberras took is very different to the sort of plunge a civil servant today has to take because as we all know one of the members of the party of Mr Bossano, Mr Gomez, who writes in The People, his attention has been drawn that he cannot write letters.

HON A J CANEPA

My wife's attention was drawn that she should never have published the letter she wrote to His Holiness the Pope.

HON P J ISOLA

The Honourable Member has anticipated my words. A letter written by the Honourable Member's wife which somehow came into the hands of GBC and the Gibraltar Chronicle, and she has been rapped on the knuckles for publishing it. So you see, Mr Speaker, the civil service is much more on the qui vive today, it is out to stop every single civil servant doing anything in politics but it did not do that when the Honourable Member and my Honourable Friend Mr Xiberras took the plunge so the sort of risk that the Chief Minister is asking a teacher to take today, the sort of plunge the Minister for Economic Development is asking a teacher to take today is a very different sort of plunge that he took and Mr Xiberras took because they were well-known party political men whilst they were civil servants in Gibraltar. That is the difference that the Honourable Member on the other side do not understand or do not wish to understand. Today a teacher is brought out in an election as a candidate and the only people who know he has a political interest are possibly his fellow teachers at school or, possibly, some of the children. All the children in the Grammar School knew Mr Canepa was AICP and Mr Xiberras was IZBP. The general public would not know and that is a fact which the Government must accept. And they tell us that they will not give them 21 days leave but they do give maternity leave, and they say the job might not be there. For 21 days, in the public interest, teachers who are prepared to give up their profession once elected to serve the public of Gibraltar, the Government cannot wait 21 days before shoving somebody into their jobs? What about the system of supply teachers? You see, Mr Speaker, what the Government wants to do with teachers is to put a penalty on them because they know that they are a force of candidates for public office and they want to put a penalty on them and I know now why they want to put it, they want to put it because there is a teacher that they are convinced is waiting for this to stand with the DPBG and might constitute a threat at the next election.

HON CHIEF MINISTER

For exactly the same reason that we have been doing it since 1968 because we think that one thing is incompatible with the other.

HON P J ISOLA

But what is incompatible, Mr Speaker? Twentyone days unpaid leave is incompatible? Because that is all that

the Bill is doing, 21 days unpaid leave. But it was very compatible at the time that Mr Canepa and Mr Xiberras were in public office. But today it is absolutely taboo. I could understand the arguments of the Government if we were today discussing a Bill under which a teacher could be a teacher and stay in office but that is not what we are discussing and even if that was the case the arguments used against that by the Minister for Economic Development do not hold ground when he says he must be in the school or he must be here. It would be quite easy for the House to meet 5 o'clock in the afternoon to allow that. I know the Government does not agree with it but there was that possibility but, as I say, my Bill is not seeking to do that, my Bill is merely seeking to draw on a source of very eligible people for this House and ask the Government to wait 21 days. A woman goes on maternity leave who is a teacher or, indeed, in the civil service, I think there must be many cases of it, where they go on maternity leave two months and then they come back to their job and their job is waiting and there must be a number of teachers too, of women who take maternity leave, go on leave, come back, and then resign from the service because with the baby they find that they cannot go on working. I think there must be cases of that, in fact, I know there are. It is very proper that the Government should give two months maternity leave but it will not give 21 days unpaid leave to teachers so that they can stand for election. They must take the risk, resign and of course if the teacher belongs to the wrong political party perhaps they may not get back the job that they left 21 days before, if they get elected.

HON A J CANEPA

Would the Honourable Member withdraw those remarks, please? The imputation is that it is politicians who decide who get jobs and who do not. I think he has been in Government sufficiently long as Minister for Education to know that that is not the case and I would ask him to withdraw, otherwise I have no business to be in this House when he is speaking because the imputation is that we do that.

HON P J ISOLA

Mr Speaker, the Minister always misunderstands me. I am saying it is possible that his job will be gone. He has assumed that it is from political direction and I am not ..

HON A J CANEPA

The Member said that if the teacher belonged to the wrong political party he may not get his job back.

HON P J ISOLA

If he belongs to the wrong political party in the eyes of certain people, not necessarily another political party.

HON A J CANEPA

Would he please make clear, Mr Speaker, the fact that politicians, Ministers, are not involved in appointments of civil servants and who gets or who does not get a job. If he does not make quite clear that that is not what he meant I will not listen to him in this House.

HON P J ISOLA

Mr Speaker, I would be very sorry if he does not but of course I accept that Ministers do not appoint people to the public service.

MR SPEAKER

Mr Isola, it is a well known fact and well known to the Leader of the Opposition that all appointments in the civil service are made through the Public Service Commission. Any imputation that has been made must be made as against the Public Service Commission and no one else.

HON P J ISOLA

Mr Speaker, if it would make the Minister happier I certainly did not intend the imputation that Ministers have a hand in appointments. I know the appointments are done through the Public Service Commission and I know that the Public Service Commission is advised by civil servants on reports on the persons in question. I know, too, that it is a possibility that a person who has stood for election and might say things that the civil servant does not like in the course of that election, it is possible that a civil servant might advise the Public Service Commission that he is not the sort of person they want back.

MR SPEAKER

The Public Service Commission is not advised by civil servants. The Public Service Commission receives certain confidential reports and nothing else.

HON P J ISOLA

Precisely, Mr Speaker, of course, and I accept that. The Public Service Commission acts as a Public Service Commission, but the Public Service Commission has information put in front of it and that information comes from civil servants but I do not want to go on labouring this point.

MR SPEAKER

I am sure that you withdraw any imputation that you may have made as against either the Ministers or the Public Service Commission.

HON P J ISOLA

Yes, of course. I never made one, it was my friend who jumped up and imagined it. Mr Speaker, I am sorry that the Bill cannot be acceptable to the Government and I am sorry they cannot accept the principles in the Bill and I think again, before I close, I should say just one bit because the Government has accepted basically everything in the Bill except teachers and nurses, although it accepts certain kinds of nurses, enrolled nurses. We did not ask for Nursing Sisters or Charge Nurses, just nurses. They do not accept that. It is a minor one, again, there is no logic in the Government argument where teachers and nurses are concerned because they are people who are not involved in the administration of the Government of Gibraltar and this Bill is only seeking 21 days unpaid leave, that is all it is doing, but I think the issue now is quite clear. The issue as far as this Bill is concerned, and when the new Bill comes is concerned, the issue is whether teachers are going to be allowed to stand for election or not. Whether the Government insist that they want their pound of flesh from teachers as opposed to other members of the Civil Service whom they are allowing to stand, this is the issue. I hope that the teachers themselves will regard the Government attitude to them as a reflection on their standing in the public service, because that is what it is . . . .

HON CHIEF MINISTER

That is what we are trying to avoid and this is, if I may say so, a very malicious statement and an attempt to discredit the Government when the reasons for exempting the teachers are precisely that they can keep to the very important task that they have in teaching and any suggestion or any propaganda that the Honourable Leader of the Opposition wishes to make, he can make outside this House and he is free to do so, but to use this House for that purpose is an abuse of the procedure of this House.

HON P J ISOLA

Mr Speaker, I cannot agree with what the Chief Minister has said. I do not think he knows what an abuse of the procedure of the House is. I can tell the Chief Minister this, that the Government attitude is a reflection on the teaching profession. It is not that they can go on doing what they want to do, Sir, they go on doing what the Government says they must do, that is the position of the Government, because the Bill is only seeking 21 days unpaid leave for a teacher whom the Government say will, anyway, probably get his job back. If he will, why cannot they make his position legal and secure? It is a reflection on the teaching profession that the Government does not trust them to keep above politics but it was alright with certain people who were in the teaching profession and I personally hope that the teachers who can provide as they have done in this House, Mr Xiberras and Mr Canepa, who can be of such great value to the people of Gibraltar in this House, I hope they will make representations to the Government. I hope they will go to the Minister . . . .

MR SPEAKER

We must not bring in new things when one is exercising his right of reply.

HON P J ISOLA

No, I am not doing that. Mr Speaker, the issue, as far as this Bill is concerned, has now boiled down to that issue. The Government has come out in their true colours that the reason, for example, if this Bill was ready and they intended to put it forward after the election as the Minister for Economic Development says, I suspect that the reason they did not bring it forward was because they knew

they would be faced with this issue and therefore let us leave them all out. That is what happened, because the Bill has come before the House the Government presents its alternative Bill.

HON CHIEF MINISTER

Because we wanted to do it by consensus and the Honourable Member opposite would not accept it. It was offered to him by consensus in order to accelerate the matter just before the election, in order to broaden it, and he would not accept it so we are consistent.

HON P J ISOLA

Mr Speaker, when the Chief Minister speaks of consensus he means consensus, agreeing to what the Government want. The Government know perfectly well that there can be no consensus if they cannot agree to teachers being able to stand. So that might as well have brought the Bill but they did not because I suspect, as I said, they were not terribly comfortable about the idea of this issue coming out publicly and the public knowing that the Government are determined to keep teachers out of politics because they are unwilling even to give them 21 days unpaid leave, less than the certificated leave, the uncertificated leave and the maternity leave that they give to all their civil servants. They are not prepared to do that and there can only be one answer to that and that is they do not want teachers in politics, Mr Speaker, it does not suit their Party image.

Mr Speaker, I commend the Bill to the House.

MR SPEAKER

Before I put the question to the House I would like to clarify one matter because it is a question of the interpretation of the Constitution. I am sure it is going to come up when the Bill is presented again and the Honourable Attorney-General has given an interpretation as to the right of people to stand for election and given an interpretation which I myself cannot agree with. I am saying this in the hope that the matter will be looked into and I may be completely and utterly wrong but we must clarify it for future reference. Is it not the position that clause 28 (1)(d) of the Constitution disqualifies all persons holding public office or acting in a public office? Is it

not then the position that clause 28 (4)(a) bring back into the net those public servants who hold offices which has been specified by the Legislature and is not then the position that clause 28 (1)(d) requires those servants who have been so specified by the Legislature to resign if they are elected? Your interpretation is that Clause 28 (4)(a) brings back into the net, if the Legislature so wishes, part of the civil servants that have been disqualified by 28 (1)(d).

HON ATTORNEY-GENERAL

Mr Speaker, I understand that the general point of subsection (4) of Section 28 is to bring back either wholly or partially into the net people who were previously disqualified by the effect of 28 (1)(d), in other words, it is a modification of 28 (1)(d).

MR SPEAKER

You read (a) and (b) separately but does not (b) say: "a person may stand as a candidate for election as such notwithstanding that he holds or is acting in any public office specified in the manner aforesaid". In other words as specified in 4 (a) by the Legislature.

I say this so that we might study the matter further for future reference.

HON ATTORNEY-GENERAL

I understand also that the present law in the 1976 Ordinance makes the distinction which I take to be the case but I will look at it.

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

The Honourable A J Haynes  
The Honourable P J Isola  
The Honourable A T Loddie  
The Honourable Major R J Feliza  
The Honourable G T Restano  
The Honourable W T Scott

The following Honourable Members voted against:

The Honourable I Abecasis  
The Honourable J Bossano  
The Honourable A J Canepa  
The Honourable Major F J Dellipiani  
The Honourable M K Featherstone  
The Honourable Sir Joshua Hassan  
The Honourable J B Perez  
The Honourable Dr R G Valarino  
The Honourable H J Zammit  
The Honourable D Hull  
The Honourable R J Wallace

The motion was accordingly defeated and the Bill was not read a second time.

#### HON CHIEF MINISTER

Sir I move that the meeting be adjourned to Wednesday 22 April, 1981, at 10.30 a.m. by which time, of course, Honourable Members will have had the required time for the Estimates and we will start the Budget Session.

Mr Speaker then put the question which was resolved in the affirmative and the House adjourned to Wednesday the 22nd April, 1981, at 10.30 a.m.

The Adjournment of the House to Wednesday the 22nd April, 1981, at 10.30 a.m. was taken at 1.05 p.m. on Friday the 13th March, 1981.

# GIBRALTAR

## HOUSE OF ASSEMBLY



# HANSARD

11 MARCH 1981  
Vol. 11 (BUDGET)

WEDNESDAY THE 22ND APRIL, 1981

The House resumed at 8.30 am.

PRESENT:

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

GOVERNMENT:

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

OPPOSITION:

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

The Hon J Bossano

IN ATTENDANCE:

P A Garberino Esq, MSE, ED - Clerk of the House of Assembly

PRAYER

Mr Speaker recited the prayer.

HON P J ISOLA:

Mr Speaker, could the Chief Minister make a statement as to the need for the House to have met at 8.30 am rather than 10.30 am: could he tell the House if the Government has an industrial dispute with any of its staff and if so the circumstances of the dispute?

1.

MR SPEAKER:

No. Under no circumstances will I allow in this House, under the guise of finding out the reasons why the House is meeting at this particular time, a discussion or even mention the merits or the reasons why some particular section of our working force is on strike.

May I myself, once you have raised the matter, most certainly make the situation completely and utterly clear. I was informed through the Clerk that due to certain industrial action being taken by a section of the civil service, the Mansard crew could not be here other than at their normal working times. As both the Chief Minister and the Leader of the Opposition know I consulted both the Chief Minister and the Leader of the Opposition. I suggested that we should meet from 8.30 am to 12 pm and 1.30 pm to 5.00 pm, which was their working time, an agreement was arrived at between the Chief Minister and the Leader of the Opposition and that is the reason why we are meeting at this particular time.

If there are any representations as to whether we should meet at 8.30 am or whether we should meet later or earlier, of course, that is another matter which can be discussed in this House in consultation between the Chief Minister and the Leader of the Opposition. To that extent, I think the Leader of the Opposition is completely and utterly in order, but let us not go in public in this House into the reasons of the dispute or even whether we should pay lip service to what is happening.

HON P J ISOLA:

Mr Speaker, I am sorry but the thing is that this House resolved to meet at 10.30 am today on the adjournment, it is meeting at another time today, admittedly after a telephone conversation with you, Mr Speaker, but we cannot agree to meet at this time every day because we believe that the democratic process demands that the House should meet at reasonable hours. I am not going to suggest we should meet at 10.30 am, but what I am going to suggest is that we should not meet earlier than 9.30 am.

I think, Mr Speaker, with respect, that what is happening now, or what has happened now, is, I believe, quite an important interruption of, if I may call it, the democratic process of the House and my idea in asking the Chief Minister for a statement was not in any way to embarrass the Chief Minister but to have a statement made by the Government, against whom the action is being taken. As I understand the position, the action is not being taken exclusively against the House of Assembly or its staff, the action is being taken generally in the Government

2.

sector, and as a result of that decision the House of Assembly and its procedures are affected, and I think that when the House starts sitting at 8.30 in the morning, I think there should be something on the record from the Government on the matter. That is the reason for asking. But if I am ruled out of order and the public are not to know, Mr Speaker, well, so be it.

MR SPEAKER:

Mr Isola, with due respect to you I am not in the least interested in what public reaction we are going to have as a result of rulings by the Chair. I rule here exclusively on expediency and according to the principle and the Standing Orders of this House. I am not going to accept insinuations from anyone, from either side of the House in that respect. If you feel that you should have been given reasons by the Chief Minister, you should have taken action before we met here. Here in public I will not allow it to happen.

HON P J ISOLA:

Mr Speaker, the reason for asking is that I feel it should be made in public. I think it is perfectly simply for the Opposition to ask the Chief Minister.

Very well, Mr Speaker, I shall have to raise it during the course of the proceedings and perhaps then we will be told.

HON CHIEF MINISTER:

I don't want to shirk, under the guise of your ruling from answering any questions that may arise. I think it was the Leader of the Opposition who at the last meeting made a boast that he read every paper that was published in Gibraltar. Well, if he reads every paper that is published in Gibraltar, his question about why we are here early is ridiculous and hypocritical, because he should well know why we are here this morning, that is the first one.

One the second one, Mr Speaker, about the future sittings, it was agreed, as you have stated, that we should start at 8.30 am. I have received no representations from the Leader of the Opposition, who is often inclined to ask me and I accommodate as much as possible about dates of hearing, about the time given to the Honourable and Gallant Member in order to be here. All those things are arranged between us quite simply and if the Hon Member.....

HON P J ISOLA:

If the Hon the Chief Minister will give way. That is mutual

because we have agreed to adjournments and the House not sitting to suit the Hon the Chief Minister's convenience as well.

HON CHIEF MINISTER:

Yes, but I happen to be the Leader of the House and the Hon Members are in a minority and we run this House according to what the leader says, and the procedure of this House is settled by the leader of the House and not by the Opposition. If we can have consultations then of course we will always have them and I am very accommodating as Hon Members opposite know very well. What I am not prepared to do is that anything should be done behind my back and an attempt made to undermine decisions reached between the Speaker and the Leader of the Opposition and the Chief Minister. That I am not prepared to do. If the Hon Member had come to me and given reasons why 8.30 was not a good time then I might have been prepared to say, well, perhaps we can meet at 9.00. And if the Hon Member is prepared in Committee to dispense with the recordings of the proceedings I am prepared to sit after 5.00 pm until whatever time is necessary, but if they want to have every word recorded then, of course, we shall have to finish at 5.00 pm. And because we have to finish at 5.00, and because we have to do business, and because Members apart from having to be here have got their Ministerial duties, we are going to run this session bearing in mind the difficulties which we are finding in the most practicable way. That is why we are meeting at 8.30 am, as agreed.

I am quite prepared to meet at 9.00 am, sharp at 9.00 as we have done sharp today at 8.30, what I am not prepared is to come at 9.00 and not to be able to start at 9 am because, I am not saying this in disrespect, because Members are not present 10 minutes or 15 minutes after. That is the situation. As to the reasons why we are at 8.30 here, I think, everybody knows why.

HON P J ISOLA:

I have had no explanation but the Chief Minister has had an opportunity to make a political speech, and that apparently is in order.

MR SPEAKER:

No, no, Mr Isola, with due respect to you, the Chief Minister has not made a political speech. He has given reasons.....

HON P J ISOLA:

He has given no reason, Mr Speaker.

MR SPEAKER:

He has not given the explanations you were expecting, he has given an explanation as to why, what has transpired, and as to why the House is meeting at this particular time. He has also suggested that we might meet tomorrow and the following days at 9.00 am. Is that acceptable?

HON P J ISOLA:

Mr Speaker, I have said 9.30 am for the very simple reason that I think that is the right hour consistent with the democratic process of this House. If the Chief Minister is going to take the attitude that he governs the House and he decides, he may well find himself, when he starts the proceedings, that he is talking to himself and to his colleagues. Unless there is a process of consultation, the democratic process is bound to break up. If that is the attitude of the Chief Minister.....

MR SPEAKER:

Order, order. With due respect to you, Mr Isola, there was a process of consultation and I personally consulted you and you personally told me that you agreed to meet at 8.30 am. Let there be no misunderstanding as to that.

HON P J ISOLA:

Today, Mr Speaker.

MR SPEAKER:

No, with due respect. With due respect, I informed you clearly on the telephone what was happening and asked whether you agreed to meet at 8.30 am and you said you would most certainly do so, and that was for every single day of these present proceedings. Subsequently, you came along to say that that was not acceptable to certain Members of the Opposition and could we meet at a later hour, and I am not going to proceed to state what was said at that particular time.

HON P J ISOLA:

Mr Speaker, I am sorry that perhaps I have misunderstood you or you have misunderstood me, but I remember specifically stating: alright, for the first day because of the situation. Mr Speaker, you may have misunderstood me or I may have misunderstood you but certainly I cannot in conscience say that I agree to sit at 8.30 throughout the proceedings.

MR SPEAKER:

Mr Isola, with due respect to you; and I do not wish to be pushed into saying more than what we have said, when I first spoke to you, you agreed without any doubt whatsoever to meet at 8.30 am. Subsequently, you said you did not wish to meet at 8.30 and you made to me the point that since we had adjourned to 10.30, it was out of order not to meet at 10.30. I then said to you, Mr Isola, if you insist on playing the game exclusively by the rules I will bow to your decision but the subsequent meetings of the House, after the first day will be at 8.00. I don't wish to go any further. It is then that you said, right, let's meet at 8.30 for the first day and we will discuss the matter subsequently. Let there be no misunderstanding as to what was agreed in the first instance.

HON P J ISOLA:

Mr Speaker, then all I can say is that I withdraw any agreement that I made on that occasion for 8.30. If it has to be put that way it will have to be put that way.

MR SPEAKER:

Most certainly, yes. Now what we are discussing is whether you are prepared to meet at 9.00 am.

HON P J ISOLA:

Mr Speaker, I have gone through the process of consultation on my side of the House. We look forward to the day when the Hon Member who has just spoken will show his great qualities of leadership. Mr Speaker, as far as this side of the House is concerned what we have agreed that the Chair should be asked, and the Government should be asked, is that we should meet at 9.30 am. If now we are being asked to meet at 9.00 we shall have to have consultations.

MR SPEAKER:

Right. In that case, perhaps the Hon the Minister for Housing and Sport would wish to speak now.

DOCUMENTS LAID

HON H J ZAMMITT:

Mr Speaker, Sir, I beg leave to move under Standing Order 7(3) to enable several Members on this side of the House to lay papers out of the order of business.

Sir, I wish to lay the following documents.....

MR SPEAKER:

Let us have a vote on the motion for the suspension of Standing Order 7(3), which is the Standing Order that regulates the order of business so as to lay papers on the table.

This was agreed to.

The Hon the Minister for Housing and Sport laid on the table the Hotel Occupancy and Air Traffic Surveys Report, 1980.

Ordered to lie.

The Hon the Minister for Education and Labour and Social Security laid on the table the Biennial Report of the Department of Education for the period September, 1978 to August, 1980.

Ordered to lie.

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

- (1) The Accounts of the Government of Gibraltar for the year ended 31st March, 1980, together with the Report of the Principal Auditor thereon.
- (2) Draft Estimates of Revenue and Expenditure for 1981/82.
- (3) Agreement between the Government of Gibraltar and Lloyds Bank International Limited.

Ordered to lie.

#### SUSPENSION OF STANDING ORDERS

The Hon the Financial and Development Secretary moved the suspension of Standing Orders Nos 29 and 30 in respect of the 1981/82 Appropriation Ordinance, 1981.

This was agreed to.

#### BILLS

##### FIRST AND SECOND READINGS.

#### THE APPROPRIATION (1981/82) ORDINANCE, 1981.

The Hon the Financial and Development Secretary moved that a Bill for an Ordinance to appropriate an amount not exceeding £50,775,942 to the service of the year ending

with the 31st day of March, 1982, be read a first time.

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

The Bill was read a first time.

#### HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

Last year I referred to the ominous prospects for the world economy in 1980. Regrettably the forecast was correct; worse still, the extent of the problems, particularly in the UK, were more severe than expected. The aggregated indicators for the OECD countries reveal a depressing testimony - a fall in industrial production, marginal GDP growth, large balance of payments deficits, rising unemployment and double figure inflation.

A major underlying cause of the world-wide recession was the continuing sharp rise in oil prices. Despite a drop in demand, average OPEC oil prices rose by some 70% in 1980, following a 45% increase in 1979. In real terms, the increase in the price of oil during 1978-80 have been as large as that experienced in 1973-74. The net effect has been a massive transfer of purchasing power to the oil-producing countries and an equivalent enforced reduction in sales and output for the oil-importing industrialised countries. Although recovery is unlikely to be rapid, the first signs of improvement in the world economy can now either be seen or expected. Inflation is slowing down and output rising in most of the major industrialised countries.

World trade is expected to accelerate albeit gradually. It is generally agreed moreover that the current recession has a shallower profile than that experienced in 1974-75, mainly because the impact of trade imbalance have been better distributed among industrialised countries. The largest deficits, for example, have been borne by Japan and West Germany which are financially stronger and have relatively lower inflation and unemployment rates. Whereas a slow world recovery is forecast for 1981, there are conflicting views on the medium-term prospects for the UK economy, but there is wide consensus that the prospects give no rise for optimism.

In 1980 the UK economy experienced its most drastic fall in economic activity since the 1930's. Real GDP fell by 4.1% during the year. A major factor causing the UK recession to be deeper and more prolonged than elsewhere has been the nature and severity of HM's fiscal and monetary

policies. High interest rates substantially raised the cost of borrowing. They also contributed to the high exchange rate. The combined effect of this has meant that the biggest impact of the recession has been upon industry, particularly the manufacturing sector, causing a fall in output and a rise in unemployment unprecedented in the post-war period. Manufacturing output fell by 9% in 1980 and unemployment reached a level close to 2.5 million people. The UK's self-sufficiency in oil contributed to the strength of sterling and partly compounded the effects of world recessionary and competitive pressures on United Kingdom exports. The rising exchange rate was moreover accompanied by faster growth in United Kingdom costs and prices and hence to an unprecedentedly large loss of competitiveness. Despite the fall in economic activity, earnings increased by 18% during the year, while retail prices rose by 15%. However, real disposable incomes rose marginally and as personal savings continued to increase, personal consumption remained close to the previous year's level.

The deflationary impact of the restrictive fiscal and monetary stance maintained throughout the year severely constrained domestic demand. The higher cost of borrowing, with the minimum lending rate at 17% in the early part of 1980, affected the retail and distributive trades which reacted by running down stocks, thus creating a slack in demand from manufacturers. The more rapid decline in imports than exports, although contributing to the recent improvement in the balance of payments' current account, confirmed that the recession in economic activity in the United Kingdom was sharper than elsewhere. The UK Government has recently emphasised that further progress towards lower inflation and lower interest rates hinges on the overriding need to restrain public spending. The growth of public expenditure continued to grow at a faster rate than that of the private sector. Public borrowing rose steeply exceeding budgetary targets. As part of Her Majesty's Government's medium-term financial strategy, further substantial reductions in public expenditure are planned. In this context, areas of particular note for Gibraltar are the targetted reductions in the defence and overseas aid budgets up to 1984 and the 1981 7% public service pay offer.

Most forecasts for 1981 are not particularly hopeful that the UK economy will emerge from the "trough" in the recession cycle strong enough to reverse the downward paths of output and employment. While GDP is expected to stop falling and inflation likely to stabilize at around 10%, the increase in unemployment is expected to continue towards the three million mark. The recent United Kingdom budget has in real terms increased the burden of both direct and indirect taxation in the personal sector. It has been termed as an attempt to redress the balance of the economy in

favour of business and industry by cutting interest rates and so improve the prospects for employment.

Whatever the outcome, the performance of the UK economy and the direction of public expenditure policy could significantly effect the economy of Gibraltar.

Despite its open economy, Gibraltar has so far been largely insulated from the effects of the world recession in terms of unemployment and investment but less so for trade. The main areas affected have been the tourist industry, notably hotels, the construction industry and the retail and distributive trades. I will deal with these aspects in more specific terms later on.

I have already mentioned the dominant inflationary effect of oil price increases on world economic activity. In Gibraltar, the effect on the Government's budget can best be seen in terms of the percentage increase in the cost of fuel and fuel sundries purchased by the Electricity Generating Station. Since April 1979 the increase has been in the order of 70%.

In the wider context, changes in non-oil commodity prices are also reflected in the cost of the goods we import. Prices of industrial materials and equipment are likely to remain depressed until world industrial activity picks up. Food prices tend to fluctuate but if harvests are below average, particularly in the agricultural sector, shortages will inevitably bring higher prices. Although around 65% of our imports originate from the United Kingdom, there is a fairly wide range of goods imported from other countries, the price of these is in part determined by fluctuations in the sterling exchange rate. The appreciation of sterling against most major currencies during 1980 was an important reason for the slow-down in consumer price inflation in Gibraltar last year.

Other reasons were the continued moderate increase of just under 9% in food prices and the modest inflationary impact of the 1980 budget measures. In 1980, retail prices in Gibraltar rose by 8.5% - well below the average order of increase of some 15% experienced since 1973. Inflation in Gibraltar last fell below 10% a year in 1972. The recent trend was similar in the UK, although the rate of inflation there remains higher. In 1979, UK retail prices rose by 18.4% falling to 13% by the end of 1980.

The correlation between the Gibraltar and the United Kingdom rate of inflation has always been close because of our heavy import dependence on the United Kingdom. The recent wide disparity was largely accounted for by the

significant increases in the prices of UK domestic goods and services since 1979. These price increases, mainly internal to the UK economy and only marginally reflected in export costs, stemmed from the rise in VAT, gas, electricity, petrol, together with the effect of higher interest rates on the cost of mortgages.

In real terms, the effects of price inflation on local household budgets have been cushioned by increased incomes arising from pay settlements in 1980 which averaged between 15% to 20%, in both the official and private sectors.

In the year October 1979 to October 1980, average weekly earnings for full-time adult men rose by 33% to around £98. This however reflects the third stage of the 1979 pay award which was effective from April 1980, together with the July settlement for 1980 as a whole. It is estimated that the level of real disposable incomes for an average Gibraltarian family rose in 1980 by around 5%. Average earnings in the official sector continued to be ahead of those in the private sector. The differential between the two sectors in October 1980 for weekly-paid employees was 15%, whilst that for monthly-paid employees widened during the year to between 30% and 40%.

The October 1980 Employment Survey shows that there has been no appreciable change in the level of employment in either the official or private sectors. The Government continues to contain the total numbers employed within the level set in 1978. During the course of the year there has been some structural unemployment mainly among immigrant workers in the construction industry. This is caused by two main factors, - the PSA/DOE's moratorium on non-essential maintenance work and the trough in building activity generally. This occurs in the interim period as certain development projects near completion and others begin. The Government is conscious of this facet of the Development Programme and plans accordingly. This unfortunate but temporary situation in the industry should improve with the start on new public and private sector projects. Projects approved in the former sector include the new Power Station, the Air Terminal extension and housing projects, for example the modernisation phase of Castle Ramp/Road to the Lines. Applications for Development Aid Licences indicate renewed activity in the private sector; in 1980 applications totalling £1.5 million were approved. Youth unemployment does not constitute a major problem although the Government is conscious of the need to create further opportunities particularly for female school-leavers.

The relative buoyancy of the economy was reflected in Gibraltar's import figures for 1980 which at £63 million

reflect an increase of some 21% in the import of commodities other than fuel and indicate a real increase in demand. Imports in 1980 rose in value by £7.62m. Non-fuel imports rose in value by £8.02m over the previous year indicating an increase in volume terms. Part of this increase reflects the import of 1933 motor vehicles, a rise of 652 vehicles or 51% over the previous year. Other major increases were clothing (46%), footwear (80%) and durable household goods (40%).

The decline in the consumption of food as a proportion of total consumption, continued in 1980; the 1980 figure is 25% compared with 29% in 1979 and 31% in 1978.

The changing pattern in Gibraltar's imports has been confirmed by the result of last year's Family Expenditure Survey which showed a shift in household expenditure towards durable goods and motor vehicles in line with rising incomes and improved living standards. The overall increase in Gibraltar's 1980 import bill however reflects heavy overstocking by the trade in expectation of the lifting of frontier restrictions following the Lisbon Agreement. This has coincided with a period of high interest rates and the overall effect has been to exacerbate recessionary pressures in the sector.

The total exports figure for 1980 stood at £16.99m compared with £19.45m in 1979 - a fall of 13%. The main reason for this fall is the 15% drop in the volume of fuel products; in value terms a fall of 2 million. This fall in oil and petroleum exports reflects the worldwide fall in bunkers of some 17%. Last year the number of ships calling for bunkers fell by just over 10%. The value of exports, excluding petroleum products, was £4.19m. This is a decrease of 11% over the 1979 figure, and is notably in the re-export of watches and clocks which were down by over 1 million in 1980.

The overall balance of visible trade in 1980 was a deficit of £46.1m (£36.1m in 1979, £27.6m in 1978), an adverse change of 28%. The deficit in the visible balance of all commodities excluding petroleum products stood at £42.9m (imports £47.1m, exports £4.2m) compared with £33.4m in 1979. It is estimated however that invisible earnings, mainly expenditure generated by defence expenditure, tourism, the Port and capital aid flows, exceeded the visible trade gap, leaving a modest balance of payments surplus.

There has been some decline in tourism compared with 1979, but on average the figures are less disappointing when

looked at against those for the past five years. The total number of arrivals rose from 148,000 in 1979, to 154,000 in 1980 (a rise of around 4%). Whilst air arrivals fell by 6% arrivals by sea rose by 9%. Indeed, arrivals by sea stood at nearly 103,000, the highest since the closure of the frontier in 1969. The main area of concern for the industry was the fall in hotel arrivals. Arrivals at hotels fell by 7% compared with 1979; on the other hand they were higher than in 1976, 1977 and 1978.

Sleeper occupancy rates fell by some 14%. Despite the drop in both air and hotel arrivals, tourist expenditure in Gibraltar is estimated at around £10.5m for 1980 compared with £9.4m in 1979. This is a marginal increase in real terms. Expenditure did not drop significantly in real terms largely because visitors arriving by sea, mainly excursionist and yachting traffic, are the highest per capita spenders and account for the greater part of tourist expenditure in Gibraltar. Yacht arrivals continued to increase steadily rising in 1980 by 24% compared with 1979.

Load factors on scheduled and chartered flights arriving from the UK were unchanged between 1979 and 1980 at an average of 80%. A drop of 16% in the number of seats offered by the scheduled airlines was offset by an increase of 24% in seats on charter flights. The depressed outlook for the hotel industry reflects the economic recession in the UK. This is compounded by the strength of the pound sterling which inevitably decreases our price competitiveness although as I have mentioned earlier it has had a stabilising effect on consumer prices generally. The advent of cheap transatlantic fares, particularly to the USA has diverted potential tourist traffic. The Government recognises the importance of improving Gibraltar's image as a tourist resort. Measures to assist the industry, particularly to encourage an improvement in standards, have been considered by the Government and will be specified in the course of the Budget.

1980 was not a wholly satisfactory year for the Port. The number of ships arriving at Gibraltar totalled 2838 compared with 2651 in 1979, a rise of 7%, but the total tonnage entering the Port fell by 3.72 million tons to 19.21 million tons, a fall of 16%. In addition, calls by deep-sea vessels fell by 11% to 1568 in 1980.

The loading and discharge of containers at the Port continued under increasing difficulties, more so with the increase in the number of containers landed. These rose from 1,154 in 1977 to 2,107 in 1978, 2,536 in 1979, and 3,447 in 1980 - an increase of 36% over the year. However, the Reclamation Project between Jetties 2 and 3 has now been completed. The project has provided additional working

space of 7,000 square metres and container operations should run more smoothly and efficiently than in the past. Moreover, better rationalisation of space should prove possible. Solutions to the problems posed by traffic restrictions on the Viaduct bridge are now being considered in the light of recommendations made in the Port Feasibility Study. Government is considering a number of recommended projects in the Port area as part of the next Development Programme, including the construction of a causeway with additional land reclamation to replace the Viaduct bridge. Further reclamation in the Port area might be necessary in the future, bearing in mind the essential contribution the Port makes to the economy of Gibraltar.

The development of Gibraltar as a finance centre is one area of economic activity which I feel I should highlight this year. The Government continues to encourage the development of Gibraltar as a finance centre. Investment in the new telephone international direct-dialling project is an important measure aimed at providing the necessary facilities for the further promotion of this activity.

Banking activities in Gibraltar continue to prosper. Commercial bank deposits continued to rise during the year. Time deposits increased by around 30% and demand deposits by 5%. During the same period loans and advances by the commercial banks increased by £6.8m or 31% compared with 1979. Loans and advances to the personal sector rose from an annual increase of 19% in 1979 to 22% in 1980; reflecting the increased amount of credit. On the other hand deposits held in the Post Office Savings Bank continued to fall in real terms. The total amount held at the end of March 1979 was £1.8m. This was unchanged at the end of March 1980 and fell to £1.7m by the end of March 1981. On the other hand the Government's 5 year 10% Tax free debenture was fully subscribed mainly by local investors.

Last year I highlighted the importance of the Input-Output Study of the Economy of Gibraltar. I had hoped to have announced the publication of the report during the course of this Budget speech. Regrettably, late responses from a number of areas in the private sector delayed the completion of the project and the final tabulations and report was not completed on schedule. It is expected that the report will be published during the course of the next few months.

Last year Mr Speaker I expressed confidence in the resilience and resourcefulness of the people of Gibraltar to face and overcome the difficulties inherent in the world recession. Events have shown that this confidence

was well founded the more so because the community must meet the costs of providing a wide range of services from a narrow tax base and without the benefit of economies of scale.

I shall now review the Government's finances beginning with a brief comment on the out-turn for 1979-80.

Actual revenue for 1979-80 exceeded the revised estimate by £178,240. Actual recurrent expenditure fell short of the revised figure by £649,895. Taken together these variations produced an improvement of £828,135, which was reduced by £53,278 through depreciation and losses on Consolidated Fund Investments. In consequence the Consolidated Fund balance at 31 March 1980 was £4,398,780 instead of £3,623,923 which was the estimated balance at this time last year.

The shortfall in expenditure of £649,896 reflects in part poor expenditure projections by certain departments towards the close of the financial year when final revised estimates are called for. I have reminded Controlling Officers that it is essential to produce accurate revised estimates and that they must personally ensure that all figures submitted to the Treasury are as accurate as possible. As a result, the initial revised recurrent expenditure figure for 1980-81 in the first draft of the Estimates has been reduced in the present draft by some £370,000. It is impossible to give a firm assurance that there will be no significant variation on the revised figures for expenditure. I can however assure Honourable Members that the Treasury has taken all possible steps to ensure that the figures now presented are the best possible Estimates.

The approved Estimates for 1980-81 projected a net working surplus of £1,937,500 after allowing for budgetary contributions amounting to £1,575,000 to the Electricity Undertaking, the Potable Water Service, and the Housing Fund. Despite an increase of £769,700 in the level of these contributions the net surplus for the year is now estimated at £4,121,500. In consequence the projected Consolidated Fund balance at 31 March 1981 is estimated at £8,520,280. This is a significant improvement and arises from a number of factors in the recurrent revenue position on which I shall comment briefly.

The revised revenue Estimate is £40,603,500; compared with the original Estimate of £35,976,500. In round figures the increase is £4.6m.

The largest single increase is from Income Tax where

collections are expected to reach £16.2m or approximately £3m more than estimated. This substantial increase arises from an increase of about £1.5m from Company Tax and the self employed mainly due to a number of windfall receipts and the improved collection of arrears. Tax receipts from pay settlements in the private sector for which, as stated in my Budget speech last year, no provision was made in the original estimate have yielded about £0.9m. Finally there was the higher level of pay settlements and linked allowances in the public sector which were higher than expected and produced an additional £0.6m.

Apart from revenues from Government property, the Revised Estimates show significant increases over the original figures. Import duties are up by £0.36m. Revenue from departmental earnings is some £0.74m higher than projected. Under this head Philatelic sales are expected to produce some £0.7m, that is £0.25m more than estimated. Other significant increases within this head are berthing charges, the estimated surplus from the Post Office Savings Bank, the Currency Note Income Account and issue of commemorative coins, which in total account for an increase of £0.36m.

Revised estimated expenditure for 1980-81 is £36.48m compared to an approved Estimate of £34.04m, an increase of £2.44m or 7.18%. The Revised Estimates of departmental expenditure now reflect the cost of the 1980 pay settlement for which collective provision was made under Head 27 - 1980 Pay Settlement. The amount provided for this settlement was £1.8m; based on an increase of 12½% for nine months. The settlement was some 18% and the revised estimated cost is £2.25m. The largest increase in expenditure during the year was the cost of maintenance of Government housing which rose by £607,000 and accounts for some 25% of the increase in expenditure. Other important increases include the following.

The exceptionally dry winter necessitated increased imports of potable water costing an additional £201,600. A further £131,700 was required to meet the retrospective cost of the 1979 pay settlement for Nurses and Environmental Health Officers. £143,400 was required under Special Expenditure, Electricity Undertaking to meet the hire and installation charges of temporary generating plant. The Department of Labour and Social Security required a further £87,000 for the payment of Family Allowances arising from a 25% increase in the rate of these allowances effective from July 1980 under the provisions of the 1980 Finance Ordinance. The introduction of an interim Supplementary Benefits award last year and an increase in the number of persons qualifying for these benefits led to an increase in cost of £60,000. It was also necessary to increase the

budgetary contributions last Financial Year to the Funded Services to meet higher deficits than were originally projected. The additional contributions were: Housing Fund - £552,000; Potable Water Service Fund - £158,400; Electricity Undertaking Fund - £59,300 - that is in total £769,700.

A buoyant Consolidated Fund balance enabled the Government to defer taking up new loans under the Loans Empowering (1980-83) Ordinance, 1980, at a time of high interest rates. By so doing estimated expenditure on public debt servicing costs from Consolidated Fund Charges has been reduced by some £378,000. The effects of this policy can be seen at the bottom of page 5 of the draft Estimates where an estimated deficit balance in the Improvement and Development Fund of some £1.2m is projected at 31 March 1981. This deficit is, in effect, covered by the Consolidated Fund pending commercial borrowing during the course of the current Financial Year.

The financial operations of the Funded Services are summarised at appendices, A, B, C and D of the Draft Estimates. Before I comment briefly on the position of each of these funds, I would like to explain certain amendments which are to be made to the relevant regulations to give wider discretion to the Treasury on the method of assessing capital charges. The original regulations providing for the Electricity Undertaking, Potable Water and Telephone Service Funds gave the Financial and Development Secretary powers to determine the period of amortisation and interest rates for expenditure incurred under the Improvement and Development Fund, but gave no discretion as to when such charges should commence. It was mandatory for the expenditure to be debited to each fund in the year in which it was incurred by the Improvement and Development Fund. It has become increasingly evident that a more realistic approach was necessary. In commercial or statutory undertakings it would be the normal practice to capitalise interest charges during the period of the construction and for payment on the amortisation of the capital cost to begin once the flow of services had started. Unless this method is adopted consumers are required to meet charges for benefits from a service which they are not yet receiving, and which when introduced may reduce recurrent costs because of technological changes. In these circumstances, the Government has agreed that the regulations should be amended to empower the Financial and Development Secretary to direct the date from which capital and interest charges on new projects should be charged to the funds, provided that such date should not be more than 12 months after the new project came into operation and was producing a service from which the fund would draw revenue. The amended regulations for the Housing Fund will provide that in future capital charges should be

amortised over a period of 60 years at a rate of interest that would recover capital cost and interest of any borrowing whilst taking account of the likely value of property at the end of the 60 year period. On present borrowing terms an interest rate of 3% would achieve this objective in terms of net present value. The new method will also give a better indication of a fair rent for new property and indicate the amount of the Government subsidy, if any, on properties built from loan funds. Previously, the interest charges payable on outstanding loans were charged to the fund in the year they arose.

The Electricity Undertaking Fund brought forward a surplus of £217,449 from 1979-80; this was some £116,000 more than estimated and arose mainly from an increase in the value of bills issued. Notwithstanding the higher surplus brought forward from 1979-80 it was necessary to provide an additional budgetary contribution of £59,300 in 1980-81 to avoid a deficit balance on 31 March 1981. Revised estimated expenditure for 1980-81 is about £60,000 more than estimated. Although it became necessary to acquire temporary additional generating plant at a cost of £143,400 and there was a greater reliance on the inter-services generating station for the supply of electricity leading to additional expenditure of some £94,900, there were savings of about £137,000 in the cost of fuel and of £97,300 on capital charges. A fall of £117,000 in the value of bills issued was covered by the increase in the surplus brought forward from 1979-80.

In the current financial year the fund is expected to show a deficit of £665,200. The projected increase of £228,000 in the value of bills issued is clearly inadequate to keep pace with the increasing costs of running the service. It will be necessary to review the electricity tariff structure when the net costs of the new power development can be more closely quantified. By net costs I refer to amortisation charges less savings on fuel, temporary generating capacity, spares and down-time.

The Potable Water Service Fund continues to be in deficit. It received a budgetary contribution of £356,300 in 1979-80 and carried forward a small deficit of £87,412 into 1980-81. This is a welcome improvement over the figures projected at this time last year when the estimated deficit on 31 March 1980 was put at £338,700. The saving of some £250,000 has offset in part additional expenditure of £390,000 debited to the fund in 1980-81. This additional expenditure arose from the increased importation of water, following the exceptionally dry winter, (£202,000) and the additional cost of operating the distillers (£150,000). The budgetary contribution for the year has been increased by £158,400 to balance the fund on the 31 March 1981. The

Estimated operating deficit for 1981-82 is £650,100.

In 1979-80 the Telephone Service Fund produced a small surplus of £39,730. Rising costs, particularly the combined effects of higher salaries and wages, will produce a reduced surplus on 31 March 1981 of £12,900. It is estimated that by 31 March 1982 the fund will show a deficit of £172,100.

To achieve a balance in the Housing Fund on 31 March 1981, it was necessary to increase the budgetary contribution by £552,000 to £1,252,000. The reason was a much higher rate of expenditure on maintenance. The original estimate of £426,800 was based on the expectation that the cost of maintenance could be significantly reduced. In the event, this was not so and the revised cost has risen to £1,033,200. The draft Estimates for 1981-82 show a deficit of some £1.5m, after allowing for additional income of around £250,000. This arises mainly from the increase in rates payable by tenants from April 1981.

However, once the re-roofing of the Varyl Begg Estate is completed and full rent increases can be applied to that Estate and existing voids filled; and when housing currently under construction is completed, there will be a significant accrual to the rent roll.

We move into 1981-82 with a Consolidated Fund Balance of £8.52m; a considerable improvement over the revised estimated position at this time last year. This projected balance may at first sight appear excessive but it is important to view it in the context of the size of the Consolidated Fund Balance at the beginning of each Financial Year as a proportion of projected expenditure.

Since 1971-72 the projected Consolidated Fund Balance at the beginning of each Financial Year has ranged between 17% and 32% of projected expenditure for the year, except in 1978-79 and 1979-80 when it was some 6%. In considering the optimum size of the Consolidated Fund Balance account must be taken of the fact that at any one time the amount available in the Consolidated Fund Balance to meet any unforeseen shortfall in revenue or increases in expenditure is reduced by outstanding bills for the funded services. The total of such outstanding bills can form a significant proportion of the Consolidated Fund Balance at any one time as will be seen from the following figures:-

Year ending 31st March	CFB £M	Amount of bills outstanding on Fund Accounts £M	Net balance in CFB £M
1979	0.9	1.5	- 0.6 (this deficit was covered by excess of deposits over advances in the Government accounts)
1980	4.40	2.4	2.0

A further consideration is the relationship between the Consolidated Fund Balance and the Public Debt and Public Debt Servicing Charges. It is estimated that by the end of the new Financial Year the Public Debt will be some £24m - this figure includes provision for both commercial borrowing and supplier finance for the first phase of the new Generating Station and the International Direct Dialling system. In the Draft Estimates now before the House, provision is included for Public Debt Charges of some £2.4m. On current borrowing requirements to complete the 1978-81 Development Programme, together with the costs of the two new major projects which I have just mentioned, that is Power and International Direct Dialling, Public Debt servicing charges are projected to rise to some £4m in the Financial Year 1984-85 and £5.5m in 1986-87 when they reach their peak. I must emphasize that these figures are projections based on current trends in interest rates on commercial borrowing. These servicing charges take no account of the amount of commercial loans and supplier finance which the Government will require to negotiate to meet the local costs element of the 1981-86 Development Programme. It is not possible to quantify these requirements until the Government has completed the forthcoming Development Aid talks with Her Majesty's Government.

Against this background a Consolidated Fund Balance of £8.5m which would represent some 21% of projected recurrent expenditure in 1981-82 is not excessive. From this amount one should deduct the value of bills outstanding on fund accounts and temporary borrowing by the Improvement and Development Fund which would leave a net balance at any one time of some £5m. This latter figure represents only one and a half month's expenditure or 12½% of projected expenditure for the year.

Recurrent revenue for 1981-82 is £45.15m, it exceeds recurrent expenditure, at £40m, by £5.15m. This is the estimated operating surplus for the year but there are substantial uncovered deficits totalling £3.03m in the funded services. The true estimated net surplus for the year is therefore £2.12m bringing the projected Consolidated Fund Balance on 31 March 1982 to an estimated £10.64m. This is the position as summarised at page 5 of the Draft Estimates. The Honourable and Learned Chief Minister, during the course of this debate, will inform the House of the Government's proposals on the level of subsidies for the funded services and indicate broadly proposed changes in direct and indirect taxation.

I will now deal with the more important items of revenue.

The estimated yield from Income Tax is £18.5m representing slightly more than 40% of recurrent revenue. The estimate is based on current yields and takes account of the 1981 pay settlement in the public sector. Unlike previous years, it also takes account of commensurate pay settlements in the private sector. It is important that the House should understand that an estimate of this nature must be accepted as subject to variations depending on numerous factors outside the Government's control. The final figures could therefore vary considerably.

The estimated yield from indirect taxation of £6.58m is based on current yield and allows for inflation. Possible variations on import trends in 1980-81 have been taken into account.

The estimate for departmental earnings is based on current receipts. It is £785,600 more than the original estimate for 1980-81 but close to the revised estimate for the year. Revenue credited to this Head derives from numerous sources. Of special note, more so because it reflects the largest single increase, is the income from the Philatelic Bureau. This is expected to produce £650,000 in 1981-82. The Post Office Savings Bank surplus and the Currency Note Income Account are estimated to yield £200,000 and £820,000 respectively.

Head 8 - Reimbursements, shows an increase of £1,785,200 over the original estimate for 1980-81 because of the higher expenditure incurred by the Funded Services which is credited to the Consolidated Fund through this Head. An item of note under this Head is the drop of £700,000

in the Admiralty share of the Police Force. This follows the decision by the Ministry of Defence to employ their own Security Police from the 2nd June 1980. The £150,000 included for 1981-82 reflects the Ministry of Defence's share of the cost of pensions awarded to Police Officers who had already rendered pensionable service before the introduction of the new arrangement.

Estimated expenditure for 1981-82 is £40m; £3.52m more than the revised Estimate for 1980-81. The latter estimate includes £2.34m for contributions to the Funded Services. If this figure is excluded from the Revised 1980-81 Estimates the projected increase in expenditure is in the order of 17% whereas the projected increase in revenue is some 11%.

The increases over the original Estimates for 1980-81 reflect the full cost of the 1980 pay settlement. Other points of note are Housing which shows a net decrease of £97,400. This follows a decision to discontinue the practice of providing for the full cost of maintenance of Government housing units under this vote. In practice the Housing Manager has had no real control over the work carried out by the Public Works Department or its cost. Responsibility for accounting for these funds must lie with the Director of Public Works. Provision for maintenance has accordingly been made under the Public Works Annually Recurrent Head. The Housing Manager retains £47,300 for work undertaken by personnel under his direct management.

Expenditure from Consolidated Fund Charges is expected to rise by £0.93m. Two factors account for the increase. First, there is the higher cost of pensions and gratuities; the former are index linked and the latter move in line with increases in salaries and wages. Second, provision is made for the servicing of new loans to be raised in 1981-82 for the completion of the 1978-81 Development Programme and to meet the initial costs of the new Power Station.

There is provision of £1.5m for the estimated cost of the 1981 pay settlement. This figure, as I explained last year in my budget speech, is a tentative estimate without prejudice to the likely outcome of pay settlements in the public sector in the United Kingdom.

The Revised Estimates of receipts and expenditure for 1980-81 in the Improvement and Development Fund should both be reduced by £1,007,061 which is the amount of the 15% down payment on the cost of the new Power Station project. A letter of acceptance by the Government of the

Hawker Siddelay Power Engineering tender was signed at the end of February and the initial 15% payment on the total cost of the project should have been made by 27 March. A delay arose over the form of guarantee which Hawker Siddelay Power Engineering would provide for the Government in exchange for the advance payment. In the event, the payment of this amount and the draw down on a commercial loan from Lloyds Bank International Limited was delayed until 3 April so that this expenditure and the receipt of the loan fell into the current Financial Year. The items are self-balancing so that the deficit on the Fund for 1980-81 and the estimated deficit balance at 31 March 1981 remain unchanged. The Estimates for 1981-82 will, during the course of the year, be amended to take account of this late payment. In effect, the Government will seek supplementary appropriation to cover additional expenditure of £1,007,061 on the power project.

Essentially, estimated expenditure from the Fund in 1981-82 of £15.6m covers the completion of the 1978-81 Development Programme, together with the major part of expenditure on the International Direct Dialling Exchange and the Power Station. The only substantial balances to complete in 1982-83 will be some £1.48m on Housing; £0.49m on schools and £0.4m on Telephone Services.

Although the Government has agreed in principle its priorities and projects for the 1981-86 Development Programme, no provision has been made for any new projects in the Draft Estimates. The Government considers that the proposed programme should be fully discussed with Her Majesty's Government and the extent of Her Majesty's Government's development aid contribution known before any projects are included in the Estimates.

There is only one change in the Revised Estimates for 1980-81 which I wish to bring to the attention of the House. After the Draft Estimates were ready for distribution, an unexpected payment of some £110,000 was received by the Commissioner of Income Tax. This receipt raises the Revised Estimate for taxes on income for 1980-81 to £16.34m and the projected Consolidated Fund Balance on 31 March 1981 to £8.66m. This is a relatively minor amendment and for that reason I do not propose to circulate a revised page 5 to the Draft Estimates until after the introduction of the Finance Bill when revised financial projections on the basis of changes proposed in that Bill will be circulated.

I take this occasion, Mr Speaker, to thank all the members of my staff, Ministers and Heads of Departments

and all those who have been involved for the unstinting help they have given in the preparation of the Estimates now before the House. I am deeply indebted to them all and I take this occasion to thank them publicly.

Mr Speaker, I commend the Bill to the House.

MR SPEAKER:

In accordance with Standing Orders, I now call on the Chief Minister to make his statement.

HON CHIEF MINISTER:

In rising to address the House on the Estimates of Expenditure for 1981/82 I do so with considerable satisfaction, a satisfaction which derives from the success of the Government's consistent and realistic financial policies.

This year's budget must be seen primarily against the background, in particular, of the financial situation as it was in March 1979 and of the manner in which the Government dealt with that situation and the policies pursued since then.

It will be recalled that, at that time, the end of year reserve had fallen to an estimated £300,000 and the estimated figure at the end of March 1980 was a deficit of £890,000. I identified the main causes of that situation as being the gradual growth in Government spending generally, the working of excessive overtime and low productivity.

We took immediate corrective action. We set up an Expenditure Committee and an Overtime Committee and intensified our efforts to increase productivity throughout all Government departments. A number of revenue-raising measures were adopted. Our aim was to achieve, by the end of March 1980, the very modest balance of £1.2m. I ended my statement that year by saying that I had no doubt that, financially, we were at a cross-roads but that I had every confidence that we would take the right turning.

That we did so was shown by the projected results at the end of March 1980. We had aimed for a balance of £1.2m.

This was expected to rise to £3.5m. The projected estimated operating surplus at 31 March 1981 was £1.24m.

Our response to that situation was that, having achieved some improvement in the position, we considered that there was still a need for consolidating that position and for setting our finances on a firmer and far more stable foundation than had previously been possible. We accordingly introduced further revenue-raising measures, though not on the scale of the previous year, and set as our new aim for the end of March 1981 a Consolidated Fund Balance of between five and six million, which I described as "modest, prudent and necessary", bearing in mind in particular the need to establish the Government's credit-worthiness in the light of the requirement for substantial borrowing.

My statement on the Estimates of Expenditure last year was delivered eleven days after the announcement made in Lisbon that the Spanish Government had decided to remove the restrictions. I said that it would obviously have been premature, and wrong, to have attempted to recast the Estimates until the changing pattern of the economy, following a re-opening of the Frontier, could be more clearly discerned; if adjustments were subsequently seen to be necessary, we would come back to the House; in the meantime, the Government would proceed with the Estimates as drafted.

At that time, we had no doubts about the wisdom of this decision. As events have turned out, we were wiser than we knew. This year's budget has been framed without taking into account any possibility of the Spanish Government deciding to honour its commitment. I take particular satisfaction in being associated with a budget which reflects, against all the odds in a world recession, a prosperity in Gibraltar which could never have been foreseen when the United Nations were informed that Gibraltar could not live without Spain.

In a statement I submitted to the Foreign Affairs Committee of the House of Commons recently, I referred to the British Government's honourable and consistent policy towards Gibraltar and Spain. This comment was made particularly in a political context. In the financial context with which we are concerned today, it is also just and proper that I should acknowledge the way in which the British Government has honoured its pledge to support and sustain Gibraltar for as long as the restrictions continue.

It would be wrong also not to acknowledge today the steadiness and determination of the people of Gibraltar, as a whole and individually. A people less united, less rock-like in quality, might have succumbed to the psychological pressures and to the tensions of an unnatural situation, coupled with the blandishments of 'unprecedented prosperity' offered by Senor Castiella, as recorded particularly in Dr George Hills's book 'Rock of Contention'.

I am totally convinced that the political will of the people of Gibraltar transcends economic considerations. Nevertheless, to the outside world at least, a secure financial position highlights the failure of the Spanish economic blockade, while in no way detracting from the immorality of that blockade.

Our financial and economic policies for the future must therefore continue to be based on prudence and, if possible, on an even greater degree of consolidation. As I said at this time last year, if in fact Gibraltar's economic prospects improve as a result of the restoration of communications with Spain and of the consequent development of normal economic activity in the private sector, this will be a bonus. Experience in the last twelve months has shown us that we cannot count on this. Should that situation arise, I have no doubt that the resilience and resourcefulness of the people of Gibraltar, to which the Financial and Development Secretary has referred, will enable us to cope.

In the meantime, and as I have indicated, the Government is convinced that its policy for the next 12 months must be based on a determination further to consolidate the financial situation. The revised out-turn for 1980/81 reveals an improvement of some £3m in the estimated Consolidated Fund Balance at 31 March 1981.

The Financial and Development Secretary has outlined the main reasons for this improvement, that is, the main item, collections from Income Tax, together with increases over the Estimates in import duties and departmental earnings. I am particularly pleased to note that the various legislative measures introduced in the 1980 Finance Bill to reduce the avoidance of tax and to speed up the collection of tax from those paying other than under 'Pay As You Earn' appear to have been effective. We will continue to pursue this policy.

The estimated operating surplus for the next Financial Year is £2.12m after allowing for uncovered deficits on

the Funded Services totalling £3m.

In so far as the Funded Services are concerned, I stated the Government's policy, after the introduction of parity, in 1978. I made it clear that while substantial subsidies could be justified before parity, these could not be justified thereafter. With the introduction of parity it was generally accepted that charges had to increase. This is one of the main areas in which the consistency of Government policy is to be seen.

In April 1979 we introduced a 5% increase in Electricity charges, a 50% increase in Water charges, a 15% increase in Telephone Rentals and an increase in rents varying between 60p and £2.50 per week (though taking steps to avoid an automatic increase in rates the following year).

In April 1980 we pursued this policy and introduced increases which added an average of £2 per month to the consumer's electricity bill (15%) and some 75p per month to the bill for water (23%). Telephone Rentals again went up by 15%. There was no increase in rents although it was stated that the position would have to be reviewed in October 1980.

The Government, today, remains firmly committed to its aim to reduce the subsidies on the Funded Services and to make these services self-financing. I have explained the Government's reasons for this policy in previous years and there can surely be no real arguments against that policy. If the Government is expected, rightly, to be careful in its housekeeping, so too must the individual consumer be careful and, in overall social justice, be called upon to pay for what he consumes. The Public Utility Service to which this doctrine is perhaps most clearly applicable is the Telephone Service. It is therefore the Government's intention to make no budgetary provision at all this year to the Telephone Service Fund. As the Financial and Development Secretary has said, it is estimated that, by 31 March 1982, this Fund will show a deficit of about £172,000. Our intention is that this deficit should be carried forward into the Financial Year 1982-83 when, with the introduction of International Direct Dialling and the metering of local calls, it should eventually prove possible to recover the deficit.

In so far as the Water Fund is concerned, the projected deficit at 31 March next year is £650,000. This is partly due to the particularly dry winter that we have experienced and the need accordingly of more distilling and importation. We propose to increase the tariff by some 18% to give additional revenue of approximately £265,000 in a full year. For domestic consumers, this increase will add about £1 a month to the average water bill. The projected additional cost to hotels is some £50,000 and it is further proposed that this should be met by a special Government subsidy for a period of one year, as an earnest of the Government's intention to assist the industry during a difficult time - an intention which the Government hopes will be reciprocated, on the part of the hotel trade, by a real and substantial improvement in standards of service and by a sensible level of charges to the tourist, the two main factors which, in the long term, will lead to greater future demand.

The projected deficit in the Electricity Fund for 1981/82 will be met by a contribution from the Consolidated Fund. As I have already informed the House there will be an enquiry this year into the functions and efficiency of the Electricity Undertaking. This will include a review of existing Electricity tariffs. Pending the outcome of this enquiry and given the high cost of providing the existing service the decision not to increase charges is a realistic recognition of the present situation. As that situation improves, and it will do so within the next eighteen months, the policy of self-sufficiency will be applied.

The Estimate for 1981/82 does not include any provision for the amortisation of the new Generating Station which, on current borrowing terms, in a full year, is projected to cost some £750,000 gross, less expected savings on fuel, spare parts, hire charges and down time.

The Housing Fund will receive a budget contribution of £1,492,800. In arriving at this amount, the Government has taken into account the future accruals to the rent roll when current housing projects, including the pitched roofs and related repairs at Varyl Begg are completed.

To offset, for the future, this substantial budgetary contribution, rents will be increased by 20% from 1 July 1981, including the Varyl Begg Estate. The effect of this will be an average increase in rent of some 80p per week. The increase will depend on floor area and type of accommodation and will range, at the minimum, from 40p per week to a maximum, excluding the small number of large units of accommodation, of £2.50 per week. Action will once again be taken this year to prevent an automatic

increase in rates taking place next year as a result of the rent increases proposed. I am sure Varyl Segg Estate tenants will realise that as progress is made on the erection of pitched roofs it will be equitable that the rents at the Estate should be brought into line with comparable Government housing.

The Government intends also to introduce a fixed charge for internal repairs. This is seen as the most practical way of reducing maintenance costs and of avoiding the discretionary element in the decision as to which repairs are the responsibility of the landlord and which are not.

I wish to make reference here to a small but important matter of principle. The Ministry of Defence has recently given us notice that the charges for local children attending MCD schools have been very substantially increased as from 1st April 1980. From £366 to £880. These increases are reflected in the expenditure Estimates of the Education Department. Government does not consider it fair that the general body of taxpayers should bear any costs over and above the capitation rate for equivalent Gibraltar Government schools and the difference must therefore be borne by the parents of such children as from the new school year commencing September 1981.

In so far as direct taxation is concerned, the Government has previously committed itself to an in-depth study of all aspects of Income Tax legislation. This study has now been completed. Given the high incidence of direct taxation, now running roughly at 10% over the general level in the United Kingdom, as well as the scope afforded by the present overall satisfactory financial position, it is our intention to reduce somewhat the burden of personal Income Tax.

Earlier in this statement I acknowledged the general response of the people of Gibraltar to the severe pressures placed upon them in the last 17 years. That acknowledgement was just and well deserved. It would, however, be wrong to be complacent. It is still necessary to maintain a tight control on any expenditure over and above that approved by the House in the Estimates now before it. No less important is the need to keep a careful watch on non-essential overtime. Thirdly, and perhaps the most important single item of all, is the question of productivity. I have referred to this many times in this House. I have paid tribute to the many public servants who render a full day's work for a full

day's pay. But I have also referred to those who cheat their employer and their fellow tax-payers by not producing what they are paid to produce.

The Government is determined to put an end to such abuse where it arises. In attempting to do so it is faced with considerable difficulty but one major step the Government has taken in pursuing its aim is to institute a series of inquiries into the efficiency of Government departments. The report on the first of these inquiries is now being studied and action to implement its findings will be taken as soon as detailed comments by those concerned have been received and analysed. I should like, in this context, to thank the Chairman and the members of the Committee of Inquiry into the Public Works Department for the thoroughness and incisiveness of the work. The next department to be scrutinised and put under the microscope is the Electricity Department. The special difficulties of that department are perhaps underlined by the fact that three persons of high standing in the community have already been approached and have declined the offer to chair the Committee of Inquiry, although it must also be said that those persons already have their time fairly fully committed. A fourth offer is under consideration.

I do not underestimate the difficulties involved in securing an improvement in the productivity of those, I believe, the minority, who abuse their position and their pay. The Government is determined to do all it can to overcome this abuse.

Before I turn to performance on the capital side of the budget, I would like to refer to the Government's present and future borrowing commitments. The figures have already been explained by the Financial and Development Secretary. The current borrowing requirement has been met by internal and commercial borrowing. Internally we borrowed £1.25m from the Social Insurance Fund and raised £1m from the issue of the 10% tax-free debenture. Commercially, we have entered into loan agreements directly with banks and, on supplier credit terms, with contractors. The terms on which we have borrowed commercially will be tabled for the information of the House as and when agreements are concluded. At this stage, I would like to say that we have succeeded in borrowing on good competitive terms after negotiating offers with seven major clearing banks and two merchant banks. During the course of these discussions, it is satisfying to learn that the banks have referred to our good financial

standing. It is a standing which this Government intends to maintain by securing its existing strong financial base. Another important aspect on development relates to our forthcoming discussions with Her Majesty's Government on aid. The Financial and Development Secretary has already referred to the cuts in public expenditure in the United Kingdom. The Overseas Aid Programme has, I understand, been reduced by, some 14% up to 1984. This is clearly a factor which cannot be ignored during the forthcoming discussions.

The Revised Estimates for 1980-81 reveal that the rate of progress on the current programme has improved and expenditure has broadly been on target.

Expenditure for 1981-82 is estimated at £15.65m. This figure provides for the completion on the current programme and includes £5.6m in respect of certain projects which although forming part of the next Development Programme have already started. These are the new Power Station and the development of Telephone Services.

The Financial and Development Secretary has already explained, in detail, the reasons why, in the overall public interest, we should aim for as reasonably healthy a Consolidated Fund Balance as we are able to achieve. He has referred to unforeseen shortfalls in revenue or increases in expenditure; to the reduction in the amount available in the balance by outstanding bills for the Funded Services; and to the relationship between the Consolidated Fund Balance and the Public Debt and Public Debt Servicing Charges.

In commenting on a Consolidated Fund Balance of £8.66m I think I need draw attention only to two salient points - also mentioned by the Financial and Development Secretary. The first is that, except for the period between 1979 and 1980, the balance has ranged between 17% and 32%. The balance proposed for this year represents 21%, which is lower rather than higher in the scale. The second point is that, after taking account of the value of bills outstanding and of temporary funding for the Improvement and Development Fund, the net balance at any one time will be in the region of some £5m, representing only 6 weeks' expenditure. To suggest that this balance might reasonably be reduced would be mistaken and irresponsible.

Sir, we present this year's budget with confidence as to the future and, as I have said, with satisfaction at the success of our policies. A constructive and responsible opposition on the other side of the House will find it difficult not to endorse these policies, even if it actually falls short of congratulating us upon them.

MR SPEAKER:

Before I put the question to the House I would like to invite Members who wish to speak on the general principles and merits of the Bill. May I say that it is my intention to have a recess at 10.30 for approximately 10 minutes so that we can have coffee, but we have got 15 minutes perhaps when we can speak.

HON P J ISOLA:

Mr Speaker, I did mention to you before the proceedings that we would like a short recess to consider these lengthy statements of the Chief Minister and the Financial and Development Secretary which, I suppose, as the Chief Minister said, I don't know how he ended up, he said: "A constructive and responsible Opposition will find it difficult not to endorse these policies". Well, if we are going to find it difficult not to endorse these policies we would like a little opportunity to see what these policies are and examine them. I hope the Chief Minister doesn't expect us to just rubber stamp them and I would ask if you, Mr Speaker, are thinking of recessing for 15 minutes at 10.30, may I suggest we recess now for 30 minutes so that Ministers can have coffee and the Opposition can have an opportunity to look at these speeches.

MR SPEAKER:

I would like to say before even the Chief Minister replies, I would like to say that the procedure that we are now adopting for the Budget Meeting is as a result of the amendment to Standing Orders. We now do it through an Appropriation Bill and a Finance Bill. When the Standing Orders were amended it did provide for a recess after the Chief Minister had had an opportunity to speak on the general policies of the Appropriation Bill. It was basically at the instigation of the Opposition that those rules were further amended to enable the recess to be held after the Chief Minister's address on the Second Reading of the Finance Bill. Now I understand that the Opposition wish

not only to reverse this process but to have at least a recess on both occasions, the Appropriation and the Finance Bills. It is my duty to sound the feelings of the House before I recess, before it is intended to do so, so perhaps the Chief Minister might let us know what he feels.

HON CHIEF MINISTER:

First of all, Mr Speaker, this is the first indication I have had, because the Hon Leader of the Opposition did not mention it this morning that they wanted a recess after this. He may have mentioned it to you, Mr Speaker, but certainly not to me or in the House this morning.

MR SPEAKER:

He most certainly mentioned it to me.

HON CHIEF MINISTER:

Well, he didn't say so in the House this morning. Secondly, I am not agreeable to such procedure because in fact the speeches do not reflect policy. The policy is contained in the draft estimates which Hon Members have had for more than the two weeks statutory requirement. On this occasion because of the holidays we gave them I think about three weeks, nearly three weeks, and there is the policy of the Government. The statement by the Financial and Development Secretary and myself are the highlighting of items in that policy. That would set a precedent which has not been established before and I would certainly oppose that. If, in fact, Mr Speaker, the arrangements made could be advanced a little and instead of 10 minutes, because we have made this arrangement, we are going to adjourn not procedurally but practically, as you have intended because of the early start this morning, I wouldn't mind giving another ten minutes on that, but not on the basis of an adjournment for consideration of the statements. The statements only highlight what can be learned from the scrutiny of the draft estimates which Honourable Members have had in their possession before.

The next situation is, of course, completely different and we entirely agreed at the time of the regulations because they have to at least have time to react to revenue raising measures and amendments to the different regulations, but certainly not at this stage of the proceedings.

HON P J ISOLA:

I must say one thing on this. The question of changing Standing Orders is an evolving process. The Opposition agreed to the changing of Standing Orders which is now working against the Opposition under which the Chief Minister has two bites at the cherry, but it has been evolving. When those rules were changed and when we made provision for an adjournment on the Finance Bill on the budgetary measures was at the time when there was not a single hint given in the debate on the estimates as to what the budgetary measures were going to be. This has been changing in the last two years quite dramatically, because now we know in this House all the budget measures that Government is likely to give, not in detail, but we know the general principle certainly on the Funded Services. This is something that was not in previous procedures and this is why I am asking for this. It is a response to Government policies not disclosed in the Estimates, because the estimates disclose very big deficits in the Funded Services, for example, and the speeches show that they are not going to be made up by extra charges except in the case of water. These are major announcements of policy arising from the estimates. And as for the Chief Minister's statement that we have had the estimates for three weeks, first of all, I would like to say that I am very grateful to the Financial and Development Secretary for his cooperation with the Opposition in letting us have the estimates. I think it was about the.....

HON A J CANEPA:

And Ministers.....

HON P J ISOLA:

And Ministers, I will come to that in a minute. Having the financial estimates about the 4th or 5th of April. We do have four days of holiday, people do like to take a holiday, I suppose Ministers as well as Opposition. That is one comment. The second comment: I didn't get the same cooperation from the Chief Minister when I wrote to him and asked him for a copy of the Public Works Report.

MR SPEAKER:

Yes, but let us not....

HON P J ISOLA:

That is why I thank the Financial and Development Secretary but I have nothing to thank the Chief Minister for in that respect.

MR SPEAKER:

I entirely agree with what the Leader of the Opposition has said, that Standing Orders must be amended as a process of evolution, but I think that it is not at this particular moment for us to decide how they should evolve. I think that consultations should be held between the Leader of the Opposition and the Chief Minister so that perhaps next year we are prepared to deal with the budget session as circumstances require. In the meantime I entirely agree with the Leader of the Opposition and with the Chief Minister that if we are going to recess at 10.30, I think, on a pure matter of expediency there is no reason why we should not recess now and give ourselves the full time we intended and we will resume again at 10.45.

HON J BOSSANO:

Mr Speaker, I would like to say that I agree with what the Hon Leader of the Opposition has had to say about the indications of revenue raising measures which are included in this which are effectively not in my view an expansion of the expenditure side of the budget but of the revenue raising side of the budget, and consequently I think the Government, in present circumstances, as far as I am concerned, can expect no reaction at this stage, which is not to be taken as an endorsement, but simply as a need to await an explanation of all the revenue raising measures because one can't react to any of them. If some of them are mentioned and not others, then certainly, my contribution at this stage will be looking at the expenditure side and not at anything else.

HON CHIEF MINISTER:

Mr Speaker, I am quite happy, certainly next year I will certainly mention nothing in advance in the Funded Services, which is all I have done, because I think it follows the pattern of thinking on the matter and follows the exposition made about Funded Services. We have not mentioned any revenue raising measures at all. It is only the Funded Services, and of the four, I have given reasons why two will not be touched and about the other two

giving an indication of what they are. But if that is going to be a source of objection, then I will put them all in my second statement and they will then have even less time, even less than the two hours or whatever time they are given. I agree that the Standing Orders should be an evolutionary thing but that should be done in either Standing Rules Committee or by consultation, not by getting up and making requests of which one has not had notice.

HON P J ISOLA:

Mr Speaker, I thought that the question of recess was a question of discretion for the Chair. Now I understand that is in discretion of the Chief Minister.

MR SPEAKER:

No, Mr Isola, you are completely and utterly wrong. I think I have made myself completely and utterly clear on the question as to what adjournments and recesses are governed by. Adjournments are exclusively the prerogative of the House; recesses are completely and utterly at my discretion, but we do live in a democracy and I use my discretion in accordance with reigning circumstances and the feelings of the House, of the majority of the House. When I have to take a decision I take a decision bearing in mind those principles. It must not be misunderstood, the question of a recess is my prerogative.

HON P J ISOLA:

be

Mr Speaker, then I will perfectly right in approaching the Chair before the meeting to have a longer recess to enable the Opposition to look at the papers.

MR SPEAKER:

No, Mr Isola, but we will leave it at that. We will now recess until quarter to eleven.

The House recessed at 10.30 am.

The House resumed at 10.50 am.

HON CHIEF MINISTER:

I would like to clarify something otherwise the record goes uncorrected and the thing can be perpetuated again. I found that in my last year's statement I went much further into the proposals for the budget at this stage than I have done this year. In fact, I even mentioned the question of what was going to happen with income tax apart from dealing with detail on all the Funded Services.

HON P J ISOLA:

That is what I said, it is evolving.

MR SPEAKER:

I will remind the House that we are on the second reading of the Appropriation Bill and I have invited Members who wish to speak on the general principles and merits of the Bill.

HON G T RESTAND:

Mr Speaker, first of all I would like to congratulate the Honourable the Financial and Development Secretary on his detailed exposition of the accounts of Gibraltar and also on his overall and broader comments on the international situation as he sees it. On the Gibraltar accounts I cannot fail to comment on the extreme caution that he had last year in underestimating the accounts by £3m. I have a feeling that this year he is also being very cautious in his estimation. Of course, the £8.6m in the revised estimates Consolidated Fund Balance as at 31st March, 1981, was really very accurately predicted by my friend the Hon and Learned Leader of the Opposition last year, who I think predicted that this year the Government would be in a healthy position of having a balance of between £8m and £9m. So he predicted very correctly last year.

Of course, one of the reasons why the financial situation is very healthy - and it is very healthy indeed this year - is I think mainly because the people of Gibraltar have been over-taxed by this Government. Last year at budget time the Government increased personal allowances by £100 and the Opposition proposed that the increase should be doubled. The Government voted against but I

think it is absolutely borne out to be true particularly in the Chief Minister's statement this morning that, in fact, the people are being over-taxed in direct taxation when he says that given the high incidence of direct taxation now running roughly at 10% over the general level in the UK. And that also goes to a point where I said myself last year that if we had parity of wages we should also have parity of taxation and I think the way in which the Chief Minister has commented on the 10% difference between the Gibraltar taxation and the UK taxation shows that he is coming along to think roughly in the same way, at long last.

I was disappointed that the Chief Minister made no reference at all to the Elderly Persons Pensions. With such a large amount estimated for the Consolidated Fund Balance for next year of £10.6m, which I think is underestimated, I think it is mean if the Elderly Persons Pensions were not considerably increased. Of course, over and above the overtaxation of people, there is added insult to injury in the manner and fashion that the rates have gone up this month. I understand that the increases range between 25% and 100%. In some cases I have had elderly persons, who are now paying the same amount of rates per month as they are getting in pensions, and I think that is a ridiculous situation to be in. It is an unfair thing to levy such high rates on the elderly; and in fact such high rates on the whole of Gibraltar: another case of over-taxation.

On the revenue side, the Financial and Development Secretary said that there was a relatively buoyancy on trade in the economy with import figures increasing by 21%, but that is not reflected. Mr Speaker, in the import duties collected this year. The approved estimate for this year was £5.8m and the revised estimates of £5.2m. Now, that is only an increase between the approved and the revised estimates of 6.3% and certainly does not reflect the increase of 21% in the overall import figures, bearing in mind that the consumption of food has gone down from 29% to 25%. I am also worried because here I think there is gross underestimation in the import figures. The revised estimates for this year, as I have just said, is £5.2m and the estimates for 1981/82 is for £6.5m, which is only an increase of 4.8%. That does not even cover inflation and I would be very grateful if in his winding up the Financial and Development Secretary can give a slightly more detailed explanation of both those figures. I think the income tax is also under-estimated.

Once again, of course, there has been no mention by the Chief Minister of those levies on Insurance Company profits that we were going to hear so much about, I think, three or four years ago. Has he forgotten that again or has he discarded that suggestion?

Going on to departments, Mr Speaker, one area which concerns me particularly are departmental tenders. The normal tender procedures are for the tenders to be published in the Gazette but I think little by little departments are beginning to take advantage of the departmental tender procedure where no advertising is necessary, and I don't think that that is a good procedure at all. I think the fairness of a department in granting tenders has to be seen. One often gets vexed traders who have either not been asked to tender, or who haven't even got to know about the tender, because the tenders have not been published in the first place, and that I think is wrong.

On the Medical Department, Mr Speaker, this year will see the loss of two pillars, may I say, of the Medical Department Dr Giraldo and Dr. Cochrane, and I would like to take this opportunity, because this is the last budget whilst they will still be there, of praising them and thanking them for the long service that they have given to the community. I think it is very important that their replacements be monitored very carefully. One thing, particularly, in Medical Specialists which is important is experience as well as qualifications, naturally. And I think it is very, very important that whoever replaces the existing specialists should be men of high calibre, because after all the people have been accustomed to doctors of very high calibre over the years, and I think it should be borne very much in mind that their replacements should be men of very high calibre and with experience.

The following year, of course, will see the loss of the Director of Medical Services, and here again careful monitoring needs to be done. The Director of Medical and Health Services carries out two functions. First of all, that as Director and secondly, that of Surgeon. I hope that there will be consultation, broad consultations; as to how that particular post is to be replaced. I know that there are various options open: one could get a non-medical Director, one could get a Director with a speciality which is not very time-consuming, and all those alternatives need to be looked into very carefully. As I say, I hope that the Government, and the Minister particularly, will consult broadly and I hope that he will

consult this side of the House too.

One area of concern, which has concerned me for quite some time in the Medical Department is, the private practice of visiting consultants. We have raised this in the House on a number of occasions and I do not think that the effective monitoring again has been carried out by the Department so far. I think it is wrong where a patient - and I know that this has happened although it may have been denied by the Minister - where a patient is not referred to a visiting consultant through the normal channels because it is not considered by the person referring that he should be referred, and then seeing the consultant privately and that patients gets treatment. That I do not think is the correct procedure and I think that it is important that that practice should be looked into very, very carefully. Another aspect which should be looked into very very carefully is the introduction of either and/or a psychiatrist or a clinical psychologist to work under the present head of the KGV Hospital. I think in most Hospitals of this nature in the UK a psychiatrist would have a clinical psychologist working under him, and that clinical psychologist can in cases do a lot of good for patients with mental diseases without having recourse to medicines. Of course, when medicines are required he would refer those patients to the psychiatrist, but a clinical psychologist is, I am convinced, a very necessary post to have in a Hospital like the KGV.

The Health Centre, which I visited yesterday, I am glad to see, is working very efficiently. I am told of the enormous improvement seen since the introduction of an appointment system there. I am glad that at long last the Government did decide to take that particular measure. I remember I suggested that three years ago, Mr Speaker. I am not trying to take any credit for it, the credit must be taken by whoever implemented it, but certainly I must say that it could well have been introduced a long time ago.

One of the aspects which I was disappointed to see both in the Health Centre and in the estimates is that no provision is being made this year for a seventh doctor for the Group Practice Medical Scheme and I think this is one of the typical areas of AACR administration. The Minister himself told the House that he had made a decision, that he considered that a seventh doctor was necessary for the Health Centre and that he was waiting to take the matter to Council of Ministers. That I think was about six or nine months ago. Well, if a decision is taken by the Minister presumably, unless he has been overruled by Council of Ministers, why hasn't a seventh doctor been introduced in the establishment of the Medical and Health Services? Last year, Mr Speaker, I suggested that in the Medical Department the highest

individual items, of course, are drugs, dressings and pharmaceutical sundries, and we have heard on many occasions Members of the Government getting up and saying that in Gibraltar there are many more scripts, or many more items per scripts, than, for example, in the Channel Islands and even in the UK, and that it would be desirable, possibly, to have a reduction in the number of items on the scripts. In the UK there is, and I said this last year and I don't know whether the Minister has taken this suggestion up at all, there is a forum in Newcastle, I believe, where all scripts of the National Health are sent and are monitored by a Committee of doctors. If any one particular doctor is over prescribing he is asked to give an explanation and I wonder whether either we could have some sort of monitoring service here in Gibraltar ourselves or if not make arrangements with this Committee in Newcastle to have the scripts sent there to be monitored.

Mr Speaker, I think that of all the Departments of the Government the one with the worst record this year certainly has been the Electricity Department. A terrible and chaotic situation has developed over the year. We all know the amount of power cuts there have been. From July to November no less than 536 hours throughout the districts, and the Government must take full responsibility. It must take full responsibility because the reasons for the power cuts have been the lack of planning over the years by the AACR Government. Other than the skid-mounted generators which were brought in as a desperate measure, there has been no development in the Electricity Department since 1972, which is when the largest and last engine was brought into Gibraltar, and it is a complete lack of planning for nine years to pass without a single item of development in the Department. Let us not forget the Preece, Cardew and Rider Report of 1976, which we understand proposed to the Government the removal of all the engines in King's Bastion South and the purchase of a new 5 megawatt engine, which is what should have been done then, what was required then and which would have obviated the power cuts that we have all suffered this year and last year and the year before that too. Let us not forget the secrecy in which the Government treated the Preece, Cardew and Rider Report. Nobody outside an intimate circle in the Government was allowed to see what these consultants - for which, in fact, the whole of Gibraltar had paid and paid quite dearly - nobody was allowed to see what they had to say about the proposed power development running into the year 2000. And let us not forget the cynical euphoria of the Government when it announced the Hawker Siddeley contract as if they had done a marvellous thing. Of course, it is a marvellous thing but they should

have done that years ago. And let us not forget also the Chief Minister's announcement in an amendment motion where out of a hat he brought out a statement saying that we would be getting a 5 megawatt engine by April 1981, by this month, and I don't see any 5 megawatt engine in Gibraltar this year, this month. Let us not forget too the skid-mounted generators. First of all, how much it has cost us and how much it will cost us, and here I am convinced that the hiring at the end of the day will cost more than if we had purchased them outright. Time will tell.

During the past year, of course, I moved a motion in this House asking for a Commission of Inquiry to look into the past, the present, the medium term, the long term future of power development in Gibraltar. I asked for this Commission to be a public Commission of Inquiry so that everyone who wanted could find out exactly what the position was but, of course, the Government refused. The Government instead proposed another sort of inquiry, a secret inquiry where nobody can see and nobody can hear what is going on in there. Why so much secrecy? Is there so much to hide? Of course, there wasn't even a commitment that the report of that secret inquiry would be made public.

Lately, of course, we have had the Foreign Affairs Committee who came out to Gibraltar and one local newspaper carried out a campaign, I think quite rightly so, when it was announced that those proceedings in Gibraltar would be secret, and they succeeded and in fact the proceedings of those Committees were made public. I wonder why it is that that newspaper had nothing to say on the privacy and the secrecy of these reports. Is it because the Gibraltar Post is the organ and mouth-piece of the Government?

The old Station, Mr Speaker, King's Bastion South, is being virtually closed down. I think there are just 3 engines there now producing very little indeed. Before the new Generating Station comes into being and is in operation, I wonder how much the engines in King's Bastion North are going to be overrun. I wonder how long they will now last. Without any additional source from King's Bastion South the onus is now completely on the five engines in the North Station, plus the skid-mounted generators, and I wonder how much, for example, how much longer engine No 9, which is now 20 years old, is going to hold out for: the same applies to No. 10 and No. 11 which is still non-functional. I wonder whether they will last out. I hope so because otherwise the people of Gibraltar are going to be in for a very rough time indeed. But even if they do last, I wonder how much in-service rating they will then have when the new Station comes in, and I have a feeling that the two 5 megawatt engines plus the possibility of a 7 megawatt engine,

may well not be sufficient for the needs of Gibraltar if the engines that we have at the moment become obsolete. I hope the Minister in his reply will answer these queries that I have put to him. I hope he will answer them sincerely and I hope that he won't just be reading out what has been written for him.

The Fire Service, I think, has given excellent service to Gibraltar and I cannot say anything else but congratulate all the men who work there for their efficiency and their good attention to people generally.

The Telephone Department though, of course, is another matter altogether in Municipal Services. The Telephone Department is, I think, costing us too much for what we are getting. I don't think that there is sufficient replacement of cables, I don't think that that service is being done enough, and I see that reflected in the estimates this year. I notice that the revised estimates for 1980/81 was £258,000 but that the expected expenditure for 1981/82 is £22,000 less. I don't think that that is good enough. I think that it is taking people a long time to have their telephones fitted, I think it is taking a long time too to get telephones repaired and I would like to have an explanation for that, Mr Speaker.

In the Audit Department I notice the Principal Auditor's Report - I just want to make one reference to it, Mr Speaker, I'm not going into it at all, but one is the establishment of the Audit Department which the Principal Auditor highlights in his Report. He considers that his Department cannot carry out proper audits to his satisfaction with the staff that he has at the moment. It is a very, very essential service that an Audit Department gives to any Government and it should be realised by the Government that if audits are not done correctly a lot of inefficiency, shall we say, may well not be brought to light. And I think it is very important, and I hope the Government looks into it very carefully, that that Department's establishment should be increased.

So, Mr Speaker, to sum up I would say generally that Gibraltar is unhealthily overtaxed; I think that the tax concessions should be realistic ones; I think that pensions for the Elderly Persons, the EPP, should be considerably increased; I think that there should be a revision of the rates increases that have come into force recently; and I wish that there were more accurate estimations in the revenue side of Government. On the Medical Department I will sum up by saying that monitoring is the important thing, monitoring the replacements to our consultants, who should have experience; monitoring the replacement of the Director; and monitoring private practice as well as the seventh doctor for the Health Centre; and the prescription. On

electricity I think the Government needs to be reminded for what has happened, and I would urge the Government, no more secrecy. On the Fire Service I would say, well done and continue the fine work. On the Telephone Department, let us see more results. Finally, on the Audit, more staff, Sir.

HON J B PEREZ:

Mr Speaker, before I deal with my Department's estimates of expenditure for the on-coming year, 1981/82, I would like to answer some of the points which have been raised by the Hon Mr Restano in connection with the Medical Department. The first point I think he made was the question of replacements for both the retiring consultants, namely, Dr Giraldi and Dr Cochrane. The first point I have to mention for the benefit of the Honourable Member is that, in fact, the Minister does not decide on appointments, that appointments are, in fact, made by the Public Service Commission, and I am sure there is no need for the Honourable Mr Restano to tell the Public Service Commission to look for experience and qualifications because I have no doubt that this is in fact done by the Public Service Commission as has been quite clearly seen throughout many years of life in Gibraltar. In connection with the retirement of the Director, my answer to Mr Restano is, yes, I am prepared to discuss the successor of the Director of Medical and Health Services with him. In fact, he will recall that earlier in this particular year I, in fact, discussed on a very broad lines the matter with him. But the answer is, yes, throughout this particular year I am willing to discuss the matter with him.

In connection with the private practice of visiting consultants, Mr Restano has asked for effective monitoring. One thing that I must state, and I think I have said this on many occasions in this House, is that the Government's policy on visiting consultants, whether they are entitled to private practice, is that no private patient should be seen at the expense of a public patient. Let me put it another way: no private patient should be seen by a visiting consultant until all the patients that we have referred to him have been seen, and I have said this on many occasions before. If there is any particular case which has been brought to Mr Restano's notice in which a public patient has not been seen due to a private patient coming in before the public patient I would be extremely grateful if he would bring it to my notice and I will look into the matter for him, because I think it is not only for the benefit of the House but to the benefit of the whole of our Medical Services in Gibraltar. But let me repeat once more.....

MR SPEAKER:

I think in fairness to Mr Restano, I don't think he has complained of that. I think Mr Restano has complained on the fact that whilst the Health Department has refused to recommend a particular patient to be seen by the consultant, he has been able to see him as a private patient.

HON J B PEREZ:

I see, well, then my answer to that is very simple, and that is that if one of our doctors decides not to refer a particular patient to a visiting consultant, it must be due to the fact that he does not feel that that person requires to see a consultant. But let me just add that the Government's policy on the question of visiting consultants is that they must see all our public patients who have been referred by our own doctors before they can see a private patient.

HON G T RESTANO:

If the Hon Member will give way. The effective result of what happens there is that perhaps a doctor refuses to refer, the patient goes to the consultant privately and, in fact, is operated on. So, therefore, the need for operation was obviously there.

HON J B PEREZ:

I cannot agree with that, Mr Speaker. Let me just add that the patient would probably see a private doctor in Gibraltar who would then refer to the visiting consultant because consultants should see people on a referral basis.

Another point that the Hon Member has raised is the question of having a psychiatrist and/or a clinical psychologist. I would refer the Hon Mr Restano in this respect to my answer to question No. 23 and question No. 24 of 1981 in which I gave him the Government's policy on both the advisability of employing a psychiatrist: the answer I gave was that we already had a psychiatrist and that the Government was satisfied that we were providing suitable cover in the field of psychiatry in Gibraltar; and on the question of a clinical psychologist in answer to question No. 24, I again pointed out to the Hon Member that although it would be desirable to have a clinical psychologist that, nevertheless, after looking at the matter quite closely it was detected that the workload would only be for one day a week and therefore it was thought that it was not necessary or advisable to recruit a full-time clinical

psychologist in Gibraltar. The answer that I gave remains the answer that I am giving him today.

Another point that the Hon Mr Restano mentions is the fact that he says that he is satisfied that the Health Centre is working very efficiently since, he says, we have introduced the appointment system. I would agree with him that the Health Centre is working very efficiently, but I cannot agree with the second part of his statement when he said that the question of the appointments system had been his idea three years ago. For the information of Honourable Members of the House, Mr Speaker, it was in fact not Mr Restano's suggestion but, the suggestion of the Hospital Board of Management. So, therefore, if any credit has to be given I think the credit must go to the Board of Management and not to the Honourable Member sitting opposite. The fact that it has been introduced now, I think, has been because we have looked at the matter very carefully. There were certain things which we had to do like the installation of telephones: that has taken some time but nevertheless it has been done and I am pleased to say also that it is working well.

In connection with the recruiting of another doctor, which Mr Restano says it is very disappointing because he said that I had said about 6 or 9 months ago in this House that I had decided that we ought to have a seventh doctor. I think if one looks at Hansard one will find that I did not say that I thought that we should have a seventh doctor: what I did say, Mr Speaker, was that I had decided that we ought to look at the whole question of the six doctors and find out whether there was a need to employ a seventh, and I would add that it is no good just saying to employ a seventh doctor because it may well be that either we need to employ eight doctors instead of six or it may well be that the Health Centre could function with five. But let me inform the House that this is a matter which has already been looked at by the Management Services Unit, it is something that we are looking at very carefully and it is a matter which will have to take its time. We cannot monitor the number of patients which are seen by doctors merely over a period of one or two months, this must be monitored over a certain period of time and then we can establish once and for all whether the complement of six is enough or whether we shall need one more doctor, two more doctors or three more doctors, but it is no good just saying we will recruit a seventh doctor without looking at the matter very closely, which I think is in fact what is needed and in fact what is being done at the moment, Mr Speaker.

The other point mentioned by Mr Restano is the question of the forum which he says exists in Newcastle where all prescriptions are in fact monitored. In fact, he

emphasised the question of having a monitoring service. I accept that this is, in fact, done in Newcastle in UK, which corroborates all prescriptions throughout the country, but I would point out that in effect we do have a monitoring service in Gibraltar. This is done by the Head Pharmacist and by his staff, because if we didn't have that monitoring service: (a) we would not be able to pay the Chemists; and (b) we would not have been able to have taken the action that has already been taken this year, from information supplied by the Head Pharmacist in consultation with our doctors and our Chemists.

Mr Speaker, I propose to deal with my Department's estimates of expenditure for this particular year by, in fact, following the manner in which they appear in the estimates which are in possession of the Honourable Members. That is, dealing first with Personal Emoluments, then with Other Charges and Special Expenditure, and then I will turn to matters of general interest to my Department.

Mr. Speaker, the estimated expenditure under Personal Emoluments is £2,565,500, that is for this year, 1981/82, and Members will see that the increases in salaries for this year are in fact in line with the normal increases for non-industrials throughout the year, and because of this increase we have a corresponding increase both in allowances and, in fact, in overtime. As far as overtime is concerned, here I must emphasise that all the overtime which is worked in my Department can be classified as essential, since although conditions of service are geared to a five day week, we in fact have to cover a seven-day week roster, and actually provide a 24-hours a day service throughout the year. Furthermore, certain grades have built-in overtime payments owing to rostered commitments. These include, Porters, Nurses, Pharmacists, Radiographers and all those who need to respond to emergency situations. Mr Speaker, this House, I feel, should be conscious and appreciative of the tremendous hard work performed by all employees of the Medical and Health Department, and I would not like this opportunity to pass by without placing this on record.

Under Other Charges, since Members will be able to ask questions and will no doubt do so at the Committee Stage, I will merely at this particular point outline the sub-heads which I feel have suffered large increases. The first one is sub-head 5 - Public Utility Costs. This, Mr Speaker, shows an increase of £24,000 which is solely due to the current rate of consumption and the costs prevailing at present. Under sub-head 6 - Provisions - the estimated expenditure of £121,000 shows an increase of £14,000 from the approved estimates

for the year 1980/81. Mr Speaker, this is entirely due to the fact that we go out to tender every year during the month of July and the costs invariably increase. In fact, the estimated expenditure for this year is based on July 1980 prices, since obviously we shall be going out to tender midway in 1981 and it would be very difficult to predict whether this particular sub-head will have to suffer another increase for the forthcoming year. Under sub-head 7 - Laundering Expenses - a similar situation arises in that although the tender is awarded for a period of three years, which in fact expires in June of this year, it nevertheless provides for renewals on a six months basis, namely, during the months of April and October, at which time representations are made by the contractors for increases based on increases in wages and materials. These representations are in fact examined by the Economic Planning and Statistics Unit who advise the Tender Board accordingly. This means that under this vote the estimated expenditure for the year 1981/82 is again based on current prices. Under sub-head 9, Mr Speaker, we show an increase of £65,000. This increase has arisen despite tremendous efforts made by my Department in particular the Administrator, the Director of Medical and Health Services, the doctors and the Pharmacist with a view to curtail or to at least keep under control this particular sub-head. I am pleased to inform the House that our efforts have to a point been successful in that the total number of prescriptions during the year 1980/81 have been kept to the same level as those for 1979/80. In fact, this is also true in respect of the number of items prescribed. Furthermore, arising from close scrutiny and from the monitoring service which I informed the House that we have, we have also been able to instruct the Chemists and the GPMS doctors to, in fact, prescribe generic names and not particular trade names, which is in fact the point which the Hon Mr Restano mentioned last year in his intervention and which unfortunately he didn't mention on this occasion. Perhaps this was due to the fact that he knows that we have done something in this respect throughout the year. And in certain cases if Chemists in fact dispense a particular trade name instead of the generic, what the Government is doing is that we are only paying the Chemists on the wholesale price of the generic and not the particular trade mark. So, in fact, we are moving, in fact, we are doing our best to try and control this particular subhead. However, Mr Speaker, we must not forget that the basic ingredient cost has not stood still and the present increase is due entirely to the worldwide increase in the price of drugs for both the GPMS and the Hospital. In this connection I ought to point out that more and more sophisticated drugs come into the market to deal with serious illnesses which we term 'life-saving drugs' which are extremely expensive but which nevertheless we have to purchase in order, as

has, plans in most cases, to save lives. As Members will realise this is, in fact, an extremely difficult vote to control due to the above-mentioned considerations. Nevertheless, the expenditure under the GPMS is being looked at very closely and steps may well have to be taken in the very near future in order to achieve some element of constraint. But once again let me stress that I am satisfied that the matter of over-prescribing has been closely looked at and put right, not only by the means described but by the excellent cooperation that exists between the Health Centre doctors, our Head Pharmacist who is responsible for our monitoring service, and also with the local Chemists.

Mr Speaker, under sub-head 15 - Wages staff - we show an increase of £69,400 which again is in line with wage increases throughout the year for industrials. In fact, the total number of industrials employed has not varied this year. The total number is 107 out of which 88 work in our Hospitals, 5 in the Public Market and 14 in Disinfection and other services. I must also put on record the excellent work being performed by our industrials who are always most willing and cooperative.

Under sub-head 18 - Expenses of visiting consultants - it is estimated that the expenditure for the forthcoming year will be £24,000. Members of the House should realise that previously this sub-head was contained under sub-head 1 - Personal Emoluments, Temporary Assistance. These funds are needed for the payment of fees together with travelling and accommodation expenses payable to our visiting consultants. I am sure the House will agree with me that this money is extremely well-spent since the actual value of the work performed by our visiting consultants cannot be quantified bearing in mind the tremendous benefit that accrues to the population in general. And not only that but the great financial saving that this entails to the Gibraltar Government. Most of the visiting consultants come to Gibraltar either every three months or in some cases as and when required, and I think, Mr Speaker, if I may say so, it is about time that Hon Members opposite stopped criticising visiting consultants because let me say quite honestly and quite sincerely, Mr Speaker, that the work that they perform for our community is, in fact, tremendous, and I think that Members opposite should be a bit more thankful for the really tremendous hard work that these visiting consultants perform for the whole of our population.

Under sub-head 23, Mr Speaker, Specialised Treatment of Patients outside Government Hospitals, Members will see from their revised estimates figure for 1980/81 that we spent £23,300 in this vote. This expenditure is in connection with patients sent to the United Kingdom for

specialised treatment over and above our quota under the reciprocal agreement which we have with the UK and in fact very much depends on the incidents of cases. The fact that token provision is again made shows this Government's policy of sponsoring patients who are unable to receive full treatment in Gibraltar and that money is not in any way an impediment in the provision of treatment whenever it is required.

Under sub-head 80 - Special Expenditure, Mr Speaker, we have the figure of £45,000. I think I will not say anything else on this because I am sure that during the Committee Stage Hon Members opposite will in fact ask what equipment we intend to buy for this coming year. So I won't pre-empt the questions at Committee Stage. Under sub-head 81 - Special Expenditure - provision is being made this year for £5,000 for the renovation of the Hospital's Paging system. This, I feel, will be for the benefit of all our patients since it will provide for a more up-to-date internal paging system. In fact, the time factor in paging and reply with this equipment is reduced to a minimum with its consequent benefits to hospital requirements.

Before dealing with general matters affecting my Department, Mr Speaker, I think this would be a convenient time to say a few words about the Environmental Health Department which is in fact responsible for two sub-heads, namely, item 19 - Disinfection and Other Services and item 20 which is Maintenance and Running Expenses of Markets. This, in fact, comes under Other Charges.

The Environmental Health Department has maintained the momentum of the last few years in its campaign to protect public health and the environment and in approved standards in food, food premises and new developments. The monitoring of atmospheric and coastal pollutions continues as does the detection and prevention of nuisances. This last year saw the return of another fully qualified Environmental Health Officer and I am pleased to inform Honourable Members that this Department now has its full approved complement of qualified personnel. The first time it has been at full strength in the last twelve years. This welcome return for a fully-manned department has permitted the reorganisation of the food section which has been moved to the Public Market where the better food inspection facilities, its proximity to the quay and also to the main food and vegetable importers wholesalers premises, will result in a better service in our relentless efforts to improve and maintain standards in the food field. This expansion in such an important and essential field of public health has also been extended to meet the import trade where measures in keeping with new trends and EEC directives have been introduced and I am happy to say with the fullest of cooperation of the trade. Yet another

example of the stirring work being done by my department in being able to foster good relations and cooperation between the trade and official departments which despite being on opposite sides of the fence, come and do work together in their common aim of serving our community.

The Department has also been very active in the health education field where two Environmental Health Officers have been able to increase both the number of lectures given and the topics covered as well as the groups contacted. Courses currently have been conducted which include classes for school girls about to sit the 'A'/'O' levels GCE examinations in human biology; 'social sciences for the Boys' Comprehensive; hygiene as part of first aid courses; and of course the courses in food hygiene which are run in conjunction with the Royal Society of Health in London.

In the control of vermin and stray animals, I again am pleased to report good progress. The Rodent Section is also fully manned and continues to be supplied with a full range of the latest rodenticides which permits this small and relatively little-known section to persist in its behind the scenes control measures where it is successfully keeping vermin down despite their being on the alarming increase in other parts of the world. The stray animals section was supplied with a new vehicle to replace the old one which was well past its useful life. The dog and cat impounders now have their own transport and are therefore free to deal with the numerous complaints quicker and more effectively. The Public Markets also get a share of the improvements. The cooling chamber has now been installed at the Fish Market and is to be commissioned shortly. This will allow fresh fish to be stored under good and hygienic conditions thus ensuring that the fish supplied to our housewives is both clean and wholesome. With particular reference to item 19, namely, the sum of £10,400, Members will note that this vote has been increased by £3,500 over last year's estimates due to inflation and in fact the provision of new services. The main outlay is in the purchase of insecticides, disinfectants and rodenticides, but maximum saving is being effected by purchasing concentrates wherever possible and diluting them at our disinfection station. Thus we save in freight charges, storage space, etc and, in fact, it allows us to order larger quantities which in turn gives us more favourable prices.

The environmental monitoring programme will benefit this year with the acquisition of new sound level monitoring

equipment which in conjunction with that already held will broaden the scope and improve the efficiency of our monitoring of this invisible but very real pollutant. A new service, namely, the disposal of dangerous chemicals is now offered by the Environmental Health Department and requests for us to deal with such dangerous substances as cyanide, drugs and unsafe insecticides have already been received. The Health Education vote has this year been increased by 20% to further extend the anti-smoking campaign. Contacts with the trade have already been made with a view to cigarette packets and advertisements carrying health warnings in order to make the public more aware of the risk to health from smoking. In this same field the Environmental Health Department is launching a concerted campaign within the next fortnight to encourage people to dispose of unwanted medicines safely and to discourage self-medication. Collection points are being organised at different sites in Gibraltar and the full cooperation of the services is also being given. Yet again an indication of the importance attached to this safety measure.

Under item 20 - Maintenance and Running Expenses of Market - this vote remains exactly the same as last year. Such recurring expenses as are connected with the licensing of dogs, the humane destruction of strays, etc has been maintained at a minimum in keeping with our maintaining an efficient service. New planned improvements are the acquisition of new scales with dual markings for use in the fish market and the purchase of continuous action fly control equipment. The former will allow housewives to be able to read-off weight either in imperial or metric units and also should lead to fairer trading. The latter will be installed in the Meat Hall and is intended to control the number of flies normally attracted by meat and will reduce yet another risk to health.

Mr Speaker, I now come to deal with general matters affecting my Department. I think I would like to first of all inform the House on the progress which we have made in connection with the recognition of our locally trained nurses for state registration by the General Nursing Council. Members will recall that during my intervention on a motion proposed by the Honourable Mr Bossann in this House this year, I stated that I thought the position was unsatisfactory and that we would be doing our best to find both an instant solution and, of course, to aim for full recognition of our nurses by the General Nursing Council during this last year. A great deal of work behind the scenes has been carried out since then, I am glad to say with the cooperation of the Staff Associations involved, and I am now happy to inform the House that an instant solution

has been found in that the General Nursing Council are, in fact, accepting our nurses following a short period of assessment at the Royal Naval Hospital, whilst the remaining matter of full recognition is being sorted out. On this matter of full and automatic registration, we have now been advised that this will be forthcoming once our Principal Tutor has attended a specialised course which will be organised by the General Nursing Council for the purpose of up-dating our local syllabus and instructional material by the General Nursing Council. In fact, further changes may be required in connection with EEC directives which are in fact also at the implementation stage by the GNC. This has already been communicated to the Nurses' Union who continue to cooperate with Government in this venture to their mutual benefit.

Mr Speaker, on the medical side.....

MR SPEAKER:

I get the impression that you still have some time to go on.

HON J B PEREZ:

I have a little more to go.

MR SPEAKER:

Perhaps, since it is 11.55 am and you are going to deal with a new topic now, we might recess until 1.45 p.m.

HON P J ISOLA:

I would prefer to recess to 1.30 pm and start later in the morning.

MR SPEAKER:

Well, that will come. I think we agreed this morning that you were going to discuss the proposal of starting at 9.00 am tomorrow with members of your party and then when we deal with that perhaps we will decide on when to resume tomorrow. At this particular moment it was most certainly stated that we should perhaps resume at 1.30pm, so that perhaps that will give Members a quarter of an hour extra

for lunch. It is a question of whether you wish to resume at 1.30 or 1.45, whichever you prefer.

HON CHIEF MINISTER:

1. 45 p.m.

MR SPEAKER:

I think it would be adequate and I think it would be right to recess until 1.45 p.m.

The House recessed at 11.55 a.m.

The House resumed at 1.55 p.m.

HON J B PEREZ:

Before we recessed this morning I was dealing with general matters affecting my Department. I would like to say now that on the Medical side this year we will see the retirement of two very distinguished Medical Officers who have been in the service of the Government for a considerable number of years, and they are Dr James Giraldi and Dr John Cochrane. Dr Giraldi, in fact, qualified as far back as 1929. He was in private practice in Gibraltar for a number of years before joining the service. This he did in 1940 and has in some capacity or other served the community of Gibraltar since then. During the early years of his work at the KGV Memorial Hospital, he dedicated himself to the task of treating a disease which was rampant at the time, namely, tuberculosis. Today Gibraltar is to all intents and purposes tuberculosis free and this is due, I think, in no small way to the great work done by Dr Giraldi in this particular field. I am happy to pay tribute to Dr Giraldi in this House since I am sure that the people of Gibraltar would wish me to do so. I am sure that although he may retire from Hospital work, Dr Giraldi will continue to practise medicine since this is the essence of life to him and no doubt the Hospital will not have seen the last of him. He is sure to visit us time and time again and I am sure he will be made most welcome. I wish him a long and happy retirement.

Dr John Cochrane returned to Gibraltar in 1945 to take up an appointment as a Medical Officer and has since that date specialised in anaesthetics. He has been up to now our Senior Consultant in this speciality. Prior to this Dr Cochrane spent many happy years in charge of our Maternity Department and a most encouraging and caring Obstetrician he was. He was always cheerful and had a kind word for patients and family alike in what can be a most delicate area of hospital work. His tact and cheerfulness was always a comfort to those in need. In fact, of late he has continued to be his great and cheerful self at the Operating Theatre and will no doubt be greatly missed when he retires. I also wish him a long and a happy retirement.

As I have previously mentioned in this House in reply to questions from Members opposite, we have already found replacements for both Dr Giraldi and Dr Cochrane. They are Dr Maskell and Dr Myers, respectively, and they will be taking up their appointments quite shortly within the year.

I am also pleased to inform the House that both Dr Borge and Dr Correa are doing extremely well in connection with their seeking membership of their respective Colleges: Dr Borge, the Royal College of Physicians and Dr Correa, in Anaesthetics. Members will recall that during my intervention on my estimates last year, I informed the House that it was this Government's policy to endeavour to localise the higher posts in our Hospitals and that in this connection both Dr Borge and Dr Correa have been appointed as supernumerary Registrars in order to give them all the possible help to make this a reality. In fact, only recently Dr Borge was successful in the first part of his membership. He will now continue with his studies leading to the final examination and in fact I am sure that he will succeed. On the point of localisation, perhaps, I should also mention that we now have a young Gibraltarian back in Gibraltar with us, namely, Dr Miles, who is one of our doctors at the Health Centre.

As far as our dental service is concerned we have now finally received all the equipment and have in fact set up another dental clinic at the Health Centre which I hope will be taken up very shortly by a Senior Dental Officer following selection by the Public Service Commission. This I feel should improve our present dental services to a very, very large extent.

During the forthcoming year we also intend to carry out a very heavy maintenance programme. It is not only intended to redecorate most of our Wards but it is also intended to paint the exterior of St Bernard's Hospital.

With reference to the redecoration of the interior of the Hospital, I would once again ask the general public to cooperate during their visits to the Hospital due to the extremely high costs involved in maintenance and redecoration.

Mr Speaker, I must not be remiss in not mentioning the work done, albeit in the background, in support of the medical and nursing staff. I am, in fact, very grateful for the dedication of the catering staff, the domestics and porters, the clerical and other support staff of the department. For their devotion and hard work the word of the spearhead of the department would indeed greatly be hampered.

Last but by no means least, my grateful thanks must go to all those voluntary organisations, too many to mention individually - and I feel I would also risk missing some worthy ones - who throughout the year continued to cater for the well-being of patients and staff at our Hospitals. There is a plethora of gifts that have been given to us over the years and we are eternally grateful to them for this generosity. Long may they continue to support us in this manner.

Mr Speaker, I have tried to be as explicit as I possibly can in presenting my estimates for this year, not only on the financial side, but I think I have also tried to outline elements of policy which I am trying to implement in the Hospital. I sincerely hope that following my contribution to this House that all Members will be able to support the estimates which are before them in connection with my Department.

MR SPEAKER:

I have to come to the conclusion that there is an impasse, I would like to stimulate the interest of any Member on either side to continue the debate on the second reading of the Appropriation Bill.

HON CHIEF MINISTER:

I think, Mr Speaker, that if this is going to be anything like a debate it is no use one side of the House speaking all the time and for others to wait until the end. I don't think that.....

MR SPEAKER:

I think in fairness to the Opposition they should be in a

position to reply and to have their information from Ministers but there are more Ministers than Members of the Opposition and that would give them a chance at least to be able to raise matters now in the general principles of the Bill which later on in Committee they will not be able to do. I am ruthless in that respect. In Committee they will only be able to touch on the items before them.

HON CHIEF MINISTER:

We can do that once, then the balance alters.

HON DR R G VALARINO:

There are two little points where I would like to take up the Hon Mr Restano, who in his intervention this morning was somewhat less than what I would have expected of him. He first of all talked about the fact that engines were overrunning and would be overrunning. If he could refer to the answer that I gave him to Question No. 31 of 1981, when I answered a specific question from him, I said that, and I quote from the Hansard: "Hence No 13 engine, as indeed any other engine, has not been overworked during the last 12 months". In fact we try in the Generating Station to stick to strict precautions on these matters and there is never any indication and we never do overrun an engine beyond its stated capabilities. Then he said he was rather disappointed by the lack of cable replacements with regard to the Telephone Department. Quoting from the Hansard of last year's budget I said: "I have been the first Minister in this department to introduce a system of cable replacement", and I go on to say that the faults had dropped from 1,000 in January to February 1979 to just over 300 in February 1980, and this is just the replacement of 5 new cables. In fact, I did explain at the time that the cable replacement programme would cover a period of about 5 years and we would be replacing cables as we go along. So in those two points I would like to clarify what the Honourable Member opposite said this morning.

I completely agree with him in one respect, with the City Fire Brigade. The City Fire Brigade has continued its excellent work throughout the year and this has been very obvious in Gibraltar. The total number of turnouts for the year was 761, of 203 were actual fires. I am pleased to say as well that two officers attended the Fire Service Technical College achieving excellent results. In fact, the overall standard is so high that the Brigade has been exempted from the preliminary courses in UK and officers who now go there start on Operational Commanders Courses. There are two other

officers scheduled to attend courses in UK this year, one specifically on fire prevention. As the Opposition well knows, in-service training has continued and the Brigade has done excellent work including two rock rescues and one cave rescue from deep inside St Michael's Cave. Moreover, the fire prevention department has provided lectures and fire prevention instructions for ten outside establishments. In fact, all in all the City Fire Brigade has continued and will continue the progressive work it has done during this year.

With regards to the Generating Station, this has been a difficult year for the Electricity Department. Unprecedented major breakdowns, with a subsequent outage of plant, reduced the generating capacity of the Station considerably and increased demands were placed on the operational plant. Coupled with this, the Department had to undertake the major overhaul on No. 13 engine. After a complete review of the whole situation Government decided to rent four self-contained skid-mounted diesel generators in order to improve the situation. This was accomplished and the sets were eventually installed at Sir Herbert Miles Promenade. Not the preferred site but the originally envisaged straightforward installation on the hockey pitch was not possible and the alternative solution increased the costs substantially. Power cuts, however, were unavoidable whilst No. 13 was being overhauled, but once this was accomplished and the temporary sets were commissioned, the situation improved considerably. There are two other factors that have affected the output of King's Station. Firstly, that No. 11 engine was not available during the winter months due to factors already known in the House, and that No. 8 engine had to be withdrawn from service a week before Christmas when serious propagation of a crack which had been previously repaired was discovered. Further repairs by established methods will not give guaranteed results and the only solution is the complete replacement of the column. That has been the unfortunate part of the year with relation to the Electricity Department but I am happy to say, and as I said in my statement in this House during the first part of this meeting, Government awarded the contract of the new power station at No. 5 jetty to Hawker Siddeley Power Engineering. This was a tremendous step forward, and happily there were no delays in handing over No. 5 jetty to Hawker Siddeley thanks to the Captain of the Port and MCD. On a lesser note but still very important is the recently completed clubhouse at King's Station which I hope will bring all sections of the Station to a closer understanding of each other's problems and improve relationships both within the Station and outside this essential sector of our community.

In dealing with the last Department under my care, the Telephone Department, I would like to point out to the

Honourable Member opposite that this year we have done better. During my intervention last year I said that five cables would be replaced. In fact, not five cables as envisaged were replaced during the course of the year but seven cables. These cables have greatly improved the services to the lower town area and an additional new cable to Laguna Estate is expected to alleviate the situation there where new applications have not been effected due to inadequate plant. Apart from the seven main cables a total of 13 branch and 8 distribution cables have also been set up and several cabinets modernised. The Line Section was responsible for the connection of 412 new telephones, an increase of about 25% on last year's figures, bringing the total number of telephone stations to 9,486. Moreover, there were 231 telephones removed from one address to another and another 228 miscellaneous works orders completed. So all in all a very good picture as far as this side of the Telephone Department is concerned.

The IDD contract was, as Members opposite will recall, awarded to GEC Telecommunications in September, 1980. Progress on this front is very satisfactory and the first shipment of equipment arrived last weekend. It is expected that the installation work will commence on schedule at the beginning of May, 1981. The International service has continued to expand and as I predicted last year traffic increased from 1.6m minutes to 1.9m, an increase of 18.75% over the previous year. In fact, if I remember rightly my idea was that we would get something like 15% and we have actually an 18.75% increase over the previous year.

Revenue was also increased after the Government negotiated new rates with Cable and Wireless. The opportunity was then taken to streamline charges and all countries were divided into tariff zones. These zones will eventually be used to determine IDD rates. The Department have made plans for the new financial year which will undoubtedly continue to improve the situation. Amongst the more important of these are: 1) the continuation of the main cable replacement programme. This is now our third time with plans for the improvement and expansion of cables to upper town, south district and Glacis areas; 2) the continuation of the special services division which will provide new and modern services to the business community; 3) the installation of the IDD project; 4) the recruitment of trainee technicians able to cope with the demands made on the department now and especially in the future; and lastly, the connection of another 25% more telephones than the previous year.

Although it is recognised that these programmes are ambitious, I have every reason to expect that the coming year will be as successful as this past year and that the

Department will continue the good work that it has done throughout the year.

In termination, Mr Speaker, I feel I have dealt with my three services, I think we are improving on all sections in the three services, and I look forward to the next financial year with great confidence. Thank you, Sir.

HON W F SCOTT:

Mr Speaker, in the first instance I would like to associate myself with the opening remarks made by my colleague, the Hon Mr Restono, with regard to the delivery and the details given by the Financial and Development Secretary in his contribution earlier this morning. Mr Speaker, there is no doubt whatever in our minds that once again Government have grossly underestimated its total revenue. We said this last year and we tried to provide or convince Government to provide some further relief to the tax-payer, to put back a little bit more into their pockets that they have taken mistakenly over the previous year, and we are glad to hear from the Chief Minister, in fact, that this might well be the case this year. There might be a turning over in the Government policy. My Honourable colleague also mentioned the Elderly Persons Pension, which is something that we on our side of the House have been pushing now for a substantial number of years. We do not see really an equivalence between this pension, which is a state pension, and the other two state pensions, the Old Age Pension and the Retirement Pension, through no fault of the recipients of the EPP, and we are glad to see that £5,000 appears in the vote on Head 22 - Secretariat, sub-head 83, and we hope quite frankly that the terms of reference of that consultancy will include looking into the structure not only of the Social Insurance Scheme but also the people caught up in the circumstances of the EPP.

Coming back, Mr Speaker, again to the Labour and Social Security Head, we see that there is no change in sub-head 21 on Industrial Training - Head 11 - Construction Industry Training Centre, Industrial Training, where it hasn't even kept up with inflation. And this is surprising, very surprising too having regard to the amended motion passed in the November meeting of the House of Assembly and I am looking forward, in fact, to the Minister's contribution on what he has to say about that particular Head.

Mr Speaker, I wouldn't like this opportunity to go by without mentioning what to me is a very sad omission from the Improvement and Development Fund under Housing, Head 101, and that is obviously something which we would have expected Government not to have put in and in fact they haven't put

in, and that is the Woodford Cottage Scheme. We would have expected something to have appeared there.

HON A J CANEPA:

Government is not spending any money on that scheme!

HON W T SCOTT:

Precisely. We would have wanted Government to have spent money on it. That is a sad omission as far as we are concerned because we consider it should have done so on two accounts. The first is that that scheme is ill-conceived, the first count is the City Plan and the second is that there is absolutely nothing to raise the Government housing stock as far as we are concerned, it does not relieve the situation of the people, the thousands of applicants that there are in the Housing Waiting List. We have seen over the passage of the last two or three years, two attempts, this is the third, made by Government to introduce a Home Ownership Scheme and perhaps through its presentation, perhaps through its content, it is not far me to say, but the rejection by the people of Gibraltar on those two counts was total. Now we see the third scheme coming up and Government seems to be hell bent in trying to go ahead with this scheme. I do not know what reasons Government might have to go ahead with it other than the ones that have been mentioned in this House which to us are totally unconvincing unless, of course, there is some sinister reason why they should continue with this scheme. I think it was late last year that the Government said that there were certain restrictions on density within the scheme because of the City Plan. The way we feel is that the City Plan is designed primarily to cater for the needs of the people of Gibraltar and if the needs of the people of Gibraltar aren't catered by the City Plan, the City Plan should be changed precisely to cater for the needs of the people of Gibraltar. Another reason that was used, and I think it was by the Hon Minister for Public Works, were financial limitations at the end of last year, and yet we found in March, because of the poor response that Government had had to this scheme - the initial response, we do not know what the second attempt has revealed - that Government in fact were seriously contemplating building homes of their own, or quarters of their own, something which originally they said they couldn't manage to do because it was too costly. And in fact they compound the issue even further because the Minister on many occasions over the last few months on this House of Assembly dealing with modernisation has been telling us, telling this House, that Government

spends between 240,000 to 245,000 per new unit, and even under those conditions it would be uneconomical, not uneconomical, Government did not have the money to build itself to alleviate the people on the housing list. Yet we find in March that the Minister says to this House that not only is he entertaining the idea of building two or three quarters up there, and not at 240,000/245,000 each but at 264,000 each. And judging by the state of the accounts this year, the reasons given at the time for Government not to have built itself seems to have eroded because the economy is in a buoyant state, Government has reserves.

We are not suggesting incidentally that Government should build a high rise building in the Woodford Cottage area because part of that area is just down the road, we have buildings of 5 or 6 storeys, a little bit further down old Naval Hospital, we have Sunnyside and Rabbay Court of 10 storeys.

Mr Speaker, the Hon Minister for Medical Services made a remark which I think was unfair, in fact, in reply to what my Hon Colleague Mr Restano said dealing with visiting consultants. We do not criticise the visiting consultants, what we criticise is the system whereby private patients are seen at the expense of subscribers to the GPMS, that is what we criticise.

HON J B PEREZ:

If the Honourable Member will give way. That is precisely why I said if you will recall that if there were any cases which came to the notice of Hon Members opposite that they should refer it to me and I would look into it because no case has in the past in a year and six months been brought to my notice.

HON W T SCOTT:

Perhaps, we might be able to do this in the near future, Mr Speaker. A further item on the Public Works, Mr Speaker. We are still awaiting the Sand Quarry to come up with some level of recovering sand to that which was originally envisaged. We recently, I think, voted a considerable amount of extra money, cash investment, on this plant with every likelihood, so the Government told us, of the project now being viable, and we again hear not a whisper. The water distillation figures. I think, it was the Chief Minister in his contribution this morning mentioned the amount, or the lack of rainfall, the dry winter we have had, but I have been looking at some water production figures, in fact, dating from February 1979, and I find in fact that even when there is rainfall on any particular month

it constitutes no more than 25% of the total water production of the total water that is consumed within Gibraltar. So we are looking at the figures of only 20%.

HON CHIEF MINISTER:

If the Hon Member will give way. I think this is erroneous because in fact with very low rainfall the potable water wells render considerably less and therefore it is two factors. It is not only the rain you lose but also the fact that what can be produced from the potable water wells is considerably reduced because of lack of rainfall and because the salinity of the water comes up very quickly. So the rains in Spain are helpful to us.

HON W T SCOTT:

I am grateful to the Chief Minister, Mr Speaker, but I also have the production figures month by month of the wells and in fact they vary very little. In fact, obviously when there is rainfall it takes presumably a long time for that water to filter down to that level.

Mr Speaker, an item of expenditure on a reallocation, in fact, that we had here last month: sick leave for workmen, where I think on a virement the figure of £83,000 was voted in last month I think we will all remember and yet I sit here on Head 20, sub-head 16, where again this gross under-estimation from £70,000 approved last year to £213,000. This is a factor in excess of 300%. This year we are voting, or we are being asked to vote, £170,000 on this Head. I wonder what the Chief Minister in fact would say when in the early part of his contribution, and I am quoting: "I identified the main causes of that situation as being the gradual growth in Government spending generally, the working of excessive overtime and low productivity. We took immediate corrective action. We set up an Expenditure Committee and an Overtime Committee". It seems to me, Mr Speaker, that judging by the figures of this last year, Government fell short in a number of Committees it started. It should seriously consider initiating a Committee to look precisely into the details of sick leave because we are talking about a figure, even last year of over, 300% in excess of that originally voted for.

Talking of reports, Mr Speaker, there is one, in fact, which was promised to us by Government at the March meeting of the House and that is the report dealing with the Public Works Department. I think we were promised this,

in fact, by the Chief Minister himself, although in fairness to him he did not mention a time scale, he just said shortly. But in fact we have serious reservations on this, serious reservations insofar that I have had representations made to me by a number of substantial and traditional local suppliers to the Public Works Department who were not approached by the Committee to give evidence. And secondly, whilst my party gave some evidence at the outset to the Committee looking into the role of the Public Works Department, this was done in fact with only a few days notice and at the time that we gave this preliminary evidence, we did say, and it was agreed by the Committee, that on further deliberation at some stage in the future within the period of life of this Committee we would be going forward, we would be invited to go forward and give more detailed and considered evidence before this Committee. Now, certainly this never occurred and there is perhaps evidence that we could have given to that Committee that perhaps that Committee is not aware of.

HON CHIEF MINISTER:

If the Hon Member will give way. With regard to the first part of the matter, of course, I promised a report and he should know that I wrote to his leader just before the estimates to say that the report was not reflected in the estimates because it is still being considered. In fact, Ministers had not had it by the time I wrote the letter to the Leader of the Opposition because practically it has been sent only to the Public Works Minister and to the Department. So for that matter I did promise and it will be delivered because when I promise something here I normally try to comply with it.

With regard to the working of the Committee, of course, we are not answerable except insofar as we have spent money for it. If there is any criticism I would perhaps ask the Member to wait until he reads the report and finds out whether there are any lacunae there that might have been filled if they had been able to give evidence. That was an independent Committee led by a reasonably strong independent Chairman and the way in which he conducted the inquiry is a matter for him really, it is not a matter for the House, unless the thing was so blatantly misleading that it warranted the matter being severely criticised. At this stage really whether they gave evidence on their own, or other people didn't give evidence, there was a notice, as far as I remember, inviting people to come and give evidence, and I would have thought that having regard to the manner in which the Committee carried out its functions, that anybody who wanted to give evidence were given the opportunity. I am not defending the Committee

but I don't think it is fair that we should make general charges here, particularly by Members opposite until they have seen the report. Maybe they can find faults not in the report or in the recommendations which they may or may not agree, but in matters that had they been dealt with differently they might have been reflected in a different way, but really we appointed the Committee and the Committee is responsible for its own report. We are not answerable for the Committee here.

HON W T SCOTT:

I am grateful to the Chief Minister, Mr Speaker, but of course I am worried about this. I am worried and I will continue to be worried even before I see what the Committee reports which I haven't seen. We are worried, I think the expression I used, and Hansard will say, I said, I think: "I have serious reservations" because to our way of thinking it is not as complete as perhaps it could have been. And having relation to that the £15,000, I think, which we will be voting this year, or rather in these estimates, for a Committee to look into the Electricity Department .....

HON CHIEF MINISTER:

That is for the Committees generally.

HON W T SCOTT:

To delve into departmental structure and so forth. One would assume that part of it would be the second one which was the Electricity Department. And I feel that power generation, having had the historical background that it has had over the last few years, that no stone would be left unturned by that Committee as would appear in our estimation to have been the case of the PWD Committee. That was my point in bringing it up.

So generally, Mr Speaker, we are now looking really at a situation where we would be hoping that there would be substantial tax relief to taxpayers in Gibraltar more akin to the estimates and the reserves held by Government this year.

Thank you, Sir.

HON M K FEATHERSTONE:

Mr Speaker, the Hon Mr Restano apparently would like to

see taxation in Gibraltar on a par with the UK. At least that is the impression that I get from what he said. I wonder if he would like Old Age Pensions in Gibraltar to be taxable as they are in the United Kingdom, and I wonder if he would like Elderly Persons Pensions to be payable in Gibraltar as they are in the UK to people who are over the age of 80. So I wonder if that is the sort of parity that he wants. I would comment that we have a very different community in Gibraltar to the United Kingdom. We don't have any industries which can be taxed, we have a completely different community and we must of necessity have a different tax basis. And what the tax basis is and how it will be changed is something the Opposition will have to possess their souls in patience until we come to the Finance Bill. I would say that we cannot be slaves of parity, absolute parity is tantamount to integration, and we all know that integration is a dead duck and I still wonder why the Opposition keeps trying to resuscitate it, I really don't know. They call themselves the Democratic Party of British Gibraltar but they still come out at every opportunity that they can with the theory of integration even though they don't put it in their actual policy.

HON W T SCOTT:

If the Hon Member will give way just for a minute, just to clarify a point. I was never ever a member, even a party member, of the Integration With Britain Party, nor was Mr Restano, Mr Loder or Mr Haynes. So in fact, we are virtually 50/50 here.

HON M K FEATHERSTONE:

All the more reason why they shouldn't keep on pushing into our faces the integration policy. If they never subscribed to it why do they keep pushing it forward. Anyhow, that's as it may be. Let me go to the matter which I am here to speak on basically.

HON P J ISOLA:

May I just interrupt the Minister since he has talked about pensions and he has proposed the question of whether we would like to see pensions taxed. Can he say what his view is on the situation under which Elderly Persons Pensions are taxed but not the other two? Does he agree that they should all be or none of them should be taxed?

HON N K FEATHERSTONE:

I think that this matter has been discussed in this House to my knowledge on several occasions. I think you had a very concise and clear exposition by the then Minister for Labour and now the Minister for Economic Development, the Honourable Mr Canepa, and he has put forward the Government view-point to which I subscribe fully. If you want to know exactly how I feel, I suggest you get the Hansard and read what Mr Canepa said when you brought up the matter the last time before.

HON P J ISOLA:

You agree with taxing pensions?

HON N K FEATHERSTONE:

Of course, I agree with it, it is our policy. The whole question is as has been very clearly stated before. This is a pension which is completely divorced from the Social Security Schemes and cannot be taken under the same heading.

Anyway, Sir, after that little spate of interruptions, it doesn't put me off, it doesn't worry me, I will now go to the matter with which I am entrusted in this House, and that is the PWD and the ancillary section of the I & D Fund which adheres to it. Sir, I am entrusted with spending about 33% of our total budget of £50m. £8m of this is the PWD Annually Recurrent which, of course, includes staff wages etc, and some £8.5m in the I & D Fund. I am very cognisant of the fact that this is a very large sum and it is a responsibility which I take most seriously.

I spend considerable time and effort with my accounting staff and with the Treasury, and I would say that they gave me every cooperation and assistance all the way through in making sure that our estimates are as realistic as possible. They cannot be 100% perfect but they are I think realistic, and I would even comment that I almost wore out all my colleagues in Council of Ministers when we were discussing the estimates ourselves and I was putting forward the Public Works view point. And I would thank them most sincerely with putting up with me. I was as they may say a little "pesco".

Sir, the first section of my estimated expenditure is Head 19 which is the Public Works Salaries and establishment.

Now Honourable Members are sure, especially on the other side, to pick up the points that there are 11 more members in the staff of the PWD. And I suppose in due course we will get it thrown at us: all these people in the PWD, what are they all doing? What are they producing, etc, and look at the little tiny bit of development they manage to do. In fact we had this two years ago, when there were 150 and they only produced \$2.9 million or something like that. Well perhaps the figure this time may be a little bit better.

Now, Sir of these 11 extra staff 4 are clerical staff, Clerical Officers and Clerical Assistants, which are going into the accounting side, something that has been in great need of strengthening for many years and which is still not as comprehensive as we would like it to be. Perhaps when the report of the Public Works does come out, the Opposition will find that the accounting side is something that does need strengthening quite considerably. Four others are technicians who will be coming into the staff after they have finished their UK training. Now these people will in due course take over from expatriates and this is something that I think is a good thing. It is the policy of Gibraltarisation, it is a policy which we are pursuing in sending our youngsters away to get trained and to come back. And obviously when they do come back although they have been adequately trained in the UK that training has been in the main theoretical and before they can really take a responsible post here they must get some practical training. So we take them on our staff and we carry them for one or two years until they can really take over some substantive post. One of the other posts is a graduate engineer: it is another person similar to the technicians. He is a little bit higher up and he will be taking over one of the senior posts in due course; and the other two are two quantity surveyors who have been promoted from PTO II to PTO I after serving us for some three to four years.

Now most of the other items under Head 19 are mundane and need little comment. But I would single out item 6 which is the Unallocated Stores, and here by careful budgeting we have kept this account down and under strict control, and we should save some £30,000 on last year. As I have said before the whole question is that every year your purchases tend to get more expensive with inflation and therefore you need more money to pay for the same things. But if you can budget carefully, and if you ensure that you don't have excess of item in any one line you can keep it as much under control as possible. This is something which we have been doing. Two years ago I asked for £100,000, now, two years later with an inflation of some 30% I am only asking for £50,000 and I think the Stores Department

deserves a lot of credit for the effort and hard work they have been putting in.

The other subhead I think in this main heading that I would like to bring up is subhead 3 the Training of Apprentices. This year we have put all the costs of training apprentices into this subhead so that it can be seen immediately exactly what we are spending on apprentices and I think it can be seen we are doing a piece of good work in the further education of this section of our youths. This was the subject of a motion from the Honourable William Scott not too long ago. We are doing our utmost. And as can be seen some £306,000 on further education in this branch of our youths is a substantial sum of money.

Now there is one point which I must bring up about the apprentices. This year some 20 apprentices will become craftsmen, and if we are to take them into our labour force, and if we are to maintain a stable labour force and not gradually expand and expand, then 20 craftsmen that we have at the moment must of necessity disappear. Some of these of course will disappear by natural wastage and will not be replaced immediately but will be replaced in September by these apprentices. But it may be that we will have to dismiss some men if these apprentices are to be taken in. We would have to consider the dismissal of non-Sibraltarian craftsmen because I think this House will agree that charity must begin at home. Also of course there may be craftsmen who are over the retiring age and who have been kept on and we shall have to look very carefully whether we will keep people on well over retiring age when we do have the youngsters coming out. I did say when we had the debate that I could not guarantee that there would be a job for them, for all apprentices we took in at the end of their indentures especially if we continue the policy of taking on more apprentices than natural wastage can normally justify. However, that will have to be seen in the future: in the meantime we are doing our best to carry on with this policy of giving further education as the motion requested and this year we hope to take some 15 new apprentices into the PWD set up. I trust the Opposition, and especially the Honourable Mr Scott, will appreciate our efforts in this and they will understand the situation that we cannot continually allow an apprentice to become a craftsman and have an inflating labour force without cutting at the top end in due course.

Now Sir, leaving Head 19 - I think that is all I need to say on that I will, of course be happy to explain any specific points when we come to the committee stage.....

HON W T SCOTT:

If the Honourable Member will give way on a point of clarification. In fact when I introduced the motion and subsequently in the debate I thought I made myself quite clear in so far that we were talking about industrial training, not employment post in industrial training. In other words not to restrict oneself to the vacancies four years from today in bringing apprentices in. I think I made myself quite clear at the time.

HON M K FEATHERSTONE:

Yes, you did indeed but what I am saying is that we are taking in 15, we do not really need 15, our wastage rates is about 8 or 9 per year, but we are taking 15 which is more than the wastage rate.

Now, Sir, to turn to Head 20 one of the big features in Head 20 as the Honourable the Financial Secretary has said, is that we are taking back into our estimate the cost of day to day housing maintenance and we have also included under this Head the cost of the backlog for heavy maintenance which last year appeared in the I & D Fund. This of course is one of the reasons why the total cost of the whole department has risen from some £4m last year to some £6m this year. I wouldn't like to be challenged but there is a 50% rise in cost in the PWD, per se.

Now the Chief Minister has intimated that one of the things we intend to look at and introduce this year is a fixed charge for each requisition. This charge will be a very moderate charge and not merely the economical figure I would comment that the current figure for a requisition is around £70, but we are not going to ask people to pay £70 or any way near that. So I don't think there need to be any great need to worry on that score. Members will note a sharp increase in leave and injury pay. Now this increase is due to there being 2 or 2½ extra days of leave given per year, this was one of the points negotiated in the wage award last July. That is the reason why leave and injury pay has gone up. And I would comment that a public holiday costs us some £13,000. So as I presume somebody is going to say sooner or later that July 29th is going to be a public holiday, well you know what the bill is going to be, £13,000!

The Honourable Mr Scott has mentioned the question of sick leave and I would like to speak a little on this point because it does look from the figures presented that there has been a 300% increase. The position was that last year in our effort to try and bring down the running costs of the PWD we put in a figure which was a little bit of a cock

shy for sick leave for workmen of some £70,000, but the previous year, in which both ordinary leave and sick leave were put together, they totalled £440,000. If you allow for the inflationary amount that should be added because of the wage award in July last year, that figure would have been some £520,000. So it might have been reasonable to put in £520,000 for leave and sick pay in last year's estimates. All we did put in was £400,000. So there was £120,000 less put in. In the event we came back and we asked for even more than that £120,000. Sick leave is an item that does worry us very considerably. Throughout the whole of 1980 we monitored it very carefully and I kept a graph and a chart all the way through the year: I kept what was called accumulative average of the days lost per man per week, and it was astonishing that from about the middle of the year to the end of the year, it kept almost a straight line graph at about .3 days per man per week. And this, I will be the first to agree, is not what we would like to see, it is far too high. We are doing our utmost to get this incidence down to a more acceptable level. We have already this year managed to get it down to an average of about .20, that is some 7% or 8% reduction. Not enough but it is an improvement. Most men have excellent records and they only take sick leave when it is really necessary, but sometimes it is better that they do get sick leave rather than come to work with the flu and infect everybody else. But there are exceptions and these exceptions must be weeded out and disciplined, or even if the circumstances so warranted dismissed. We are keeping a very watchful eye on this and we hope that with the figure put in this year we will not need to come back and ask for any supplementaries. Possibly, we hope, the whole of that amount may not be used up. We cannot under any circumstances afford to waste public money in dead or unproductive wood.

Now, Sir, item 16, the Purchase of Small Tools, that shows 100% increase but the reason for that is that we have negotiated an agreement with all our workers who need tools in the garage, in the pumping stations etc, that we will give them an initial supply of tools on loan which they will hand back when they leave our service, and which they will pay for should they lose anything. And it is that initial purchase of tools which is boosting this figure by an amount which makes it look as if we are spending double on the whole question.

The Maintenance of Highways: In this vote, Sir, one of the things that we will do in the course of the year is to finish off the walk-way between Catalan Bay and Sandy Bay. I did see a letter in the press not very long ago saying that this was an excellent walkway. I am very grateful to the writer that because of him PUD came in for a little praise for one of the schemes that they have done. I think when the walkway is completed it will be very successful. It will also give more space on the road so that cars can park and

not make it difficult for the pedestrian that wishes to walk along between Sandy Bay and Catalan Bay.

We are putting into the recurrent estimates Head 25, Car Parks, and this was previously put in the I & D Fund. We are putting it into the recurrent estimates and this year the car parks we intend to provide will be along Rosie Road which will finish off the pavement as far as we have put it and go right to the end of the road making car parks etc. We are also going to put a car park at Varyl Begg Estate, Winston Churchill Avenue and Moorish Castle.

Now, Sir, Head 39, the Collection of Refuse. As the House will remember I said at the last meeting, I think, that we had just negotiated a new pay deal with the refuse collectors under which they agreed to collect every day a further measure of trade refuse and bottles with their normal collection. Now we have a second collection service, a service which has basically been forced upon us by the public who really seem to be somewhat careless and somewhat unconcerned about the desire to keep Gibraltar tidy, and who put accumulations of rubbish at each and every street corners that they can possibly do so. This is very lamentable, Sir, and perhaps Public Works have been a little bit at fault by collecting all this rubbish because having collected it people say; ah this is a dumping area we can put our stuff down here and it will be collected. I feel that I cannot do more than deplore the irresponsible person who does not avail himself of the Public Works' telephone service but has to dump on the public highway his old mattress, his old bedstead, his old cooker, his old washing machine, etc. Now, that the workers in the service that we were giving have at the moment decided to take a measure of industrial action because they felt that they should get the same benefit as the refuse collectors, although Government does not feel that they are doing anything extra and that therefore those benefits should not be given. That is the reason why at the moment we see around Gibraltar accumulations of rubbish because these people are blacking the lorry service in the hope that we are going to accede to their requests. We hope that this will be solved soon but I would comment that I would like to see a greater measure of cooperation from the general public, not to throw rubbish and muck in the highway - I believe it is an offence though for some reason a lot of people do not seem to be taken to court about it - and there is the facility to ring the PUD and we will collect it from them. In the disposal of refuse, Sir, there is a substantial increase. This is because the amount of refuse is steadily rising. They say the amount of refuse that a city produces is a sign of the affluence of that society. Well, all I can say is that Gibraltar must be doing very well indeed because the amount of refuse has gone up from some 30 tons per day to something like 42 tons per day, and to be able to cope with this we are going to introduce a system of burning for longer hours and this will mean a double shift. It will mean employing extra men and that is one

of the main reasons why the cost in this Head has gone up. However, this will help us to attend to minor breakdowns in the plant more easily and will help to keep the plant in better conditions. We have just had a big overhaul, the first for seven years, and we now expect virtually untroubled service for the next few years.

Water supply throughout the last year has been I would say excellent. This is partly good work by the distillers, especially the VTE that worked for 184 days and produced 179,000 tons, an average over 71% efficiency. Once again I must praise my engineers who got this 71% efficiency when 3 or 4 years ago it was only working at about 35%. One of the features of the service, Sir, is that throughout the whole of the last year we have given shipping all they asked for. I think this is the first time this has ever happened. There was no rationing at all to shipping through the year.

I would like to bring to the Honourable Mr Scott's notice, since he is interested I think in these figures, that of our total water production for the whole year and our total production is estimated in the coming year of some 727,000 tons, rainfall is put down at 65,000 tons. This is less than 10%, I quite agree, but that is based on a rainfall of 24 inches. Now, Sir, this year we have only had some 8 or 9 inches of rainfall, 15 inches short, and since each inch produces about 2,000 tons, then we are some 30,000 tons short. That of course, apart from the extra water that we are not getting from the wells, is of course a shortfall of water which we have to cover by importation. Although the rainfall is only a small percentage it is a very welcome percentage especially as it costs very little. One thing that we did fail in the water section last year was to produce, as I say, sufficient rain, but though my colleagues don't know it. I put a token figure in next year's estimates for the provision of an African witch doctor who will come and do a rain dance if necessary! One thing, Sir, we don't know yet is the losses for the year, but the losses for the previous year was 16%, which is down from the 28% of two years ago, and I think this is a very respectable figure. We are checking at night on a very regular basis using sophisticated equipment and we are confident that we can keep it down for about this 16% figure. This compares very favourably with the Old City Council days when the system was only 1/3rd of the size and it compares extremely favourably with water supply systems in other parts of the world.

Now, Sir, turning to the I & D Fund I would like to read from the Honourable Mr Peter Isola's comments of two years ago and one year ago. Two years ago Sir the Honourable Mr Peter Isola had to say: "Can I be forgiven then, Mr Speaker, for expressing surprise at the Minister for Public Works when he tells us that he needs quantity surveyors, he needs draughtsmen. I don't know what all these people do because they only produce £2.9 millions."

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Well the year went by, Sir, and this time we had a great lot of talk from the Honourable Mr Peter Isola but he was commenting then that we had only spent £4.5 million. Well last year, Sir, we said in April that under my Heads of Expenditure we would spend £9m. And I am very happy to say that we have spent £8.45m or 94% of that. This is the best figures that we have ever had to date and in fact in all areas except the Comprehensive School we hit our target or surpassed it, and in housing which is something I know is very dear to the Honourable Mr Scott's heart, we improved over the estimate by some £700,000. I think, Sir, the whole of the PWD staff have to be congratulated especially those who have to deal with the Development Programme and perhaps we will get from the Honourable Mr Peter Isola that all these people have done something for their money after all.

Now this year, Sir, we plan to spend again some £8.5m in my section of the I & D Fund. I say my section because the electricity and telephones doesn't come under me and they will be spending some £6m or £7m. But of the £8.5m we had some £3.7m on Housing, some £3m on Schools and we have cut currently under construction or modernisation some 203 houses. This does not include anything of course for the new development programme which we hope to get from the United Kingdom later this year to cover the next 3 or 4 years. One specific feature I would like to point out in this is that we have put £100 token, Sir, for the renovation of the tower blocks. This is a scheme which will total about £1.5m and it is planned to make a start in the autumn of this year on a trial basis to see how it goes. And also this year we will see the majority of the new roofs being provided at Varyl Begg Estate. This will alleviate a number of the long suffering families there especially those in the upper floors who will no longer have to play with stalactites coming down from their ceiling and the inherent difficulties they have had with the water penetration.

Other features this year, Sir, which I will just mention briefly; the Air Terminal the tender for which will be awarded within the next month and work will start the month after that; investigations at Dayside School so that we can expand the school; the provision of PWD vehicles and plant because we are moving closer to the desired aim that plant and vehicles should be replaced when they have come to the end of their economical working life. I know there are one or two people in my garage who are very proud that they have a lorry on the road that is 22 years old but unfortunately it takes nine months work to get it on the road for 3 months. That is not economic and it is better to dispense with it.

This year Sir we hope to move to the new PWD stores which

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we are getting from the MOD. We are just on the point of handing over our cheque in payment for it and we should have the new stores available to us within the next few weeks.

Another item which we have put into the I & D Fund is a provision of £5,000 for a study of urban development. This will go hand in hand with the new City Plan. We are in contact with the Oxford Group of Urban Development and they will be coming out and giving us the benefit of their deliberations and ideas. The first areas which we wish to develop is the Cornwalls Lane, Sell Lane area, especially the old Command Education Centre area. Another item that we hope to do this year will be to put in comprehensive fire precautions at the St Bernard's Hospital.

So all in all, Sir, we hope to spend, and I not only say we hope to spend, I think I can say based on last year's efforts, that we will spend the £8.5m and we will keep up our I & D Programme and possibly expand it even as we did last year in coming for supplementaries when we were working faster than usual.

As I have already said Sir when the Committee Stage comes I shall be happy to give any details, any breakdown, that the Opposition may require of the specific heads. I know that I have said on two previous occasions, Sir, that the PWD is a department which serves Gibraltar and serves other departments: I think we give good service at least 99% of the time and that will continue throughout 1981-82, Sir.

HON W SCOTT:

If the Honourable Member will give way before he finishes.

HON M K FEATHERSTONE:

I will give way Sir.

HON W SCOTT:

It is because having asked him to give way twice throughout his speech I didn't want to do it a third time, I wanted him to continue without any further interruption. In fact it is really a point of clarification. If the Honourable Member will confirm in fact that the figures when he was talking about sick leave, the figures that he mentioned was .3 leading on to .28 but was it per day per man?

HON M K FEATHERSTONE:

Yes it is .28 of a day per man per week. In other words in every week's work a man takes .28 of a day's sick leave.

HON A J HAYNES:

Mr Speaker, if one examines the Estimates in the light of the three precepts of the economics as proposed by the Honourable Mr Bossano last year, one looks at the Estimates in the light of the targets for economic growth aimed for by Government, which target is to stimulate and create wealth; secondly one examines the fiscal policies of Government to raise revenue; and thirdly the social programme or Government policy for distribution of those monies. If I was looking for a target for economic growth in the policies of Government, then only one thing that springs to mind is that the only thing that gets bigger every year is Government. The Government machinery expands relentlessly. I think it would probably be fair to say, therefore, that Government is the major target for economic growth. And that is perhaps why the Chief Minister's statement this morning sounded rather like a tourist brochure. He was selling his Government, his marvellous success story to encourage people to come and spend money or support his Government. And not only do we know that the target is for economic growth i.e. Government, we also know what the target aim is, that is the £2. something or other million surplus in the Consolidated Fund which I understand from the far better predicting powers of my leader, is an understatement. An understatement which could well be dwarfed by the Consolidated Fund surplus at the end of next year. Then one must ask whether this surplus in the Consolidated Fund will stimulate and create economic wealth in Gibraltar. I see a Consolidated Fund of some buoyancy has advantages in that, one, it provides for political stability, a kind of bargaining power of strength which it is useful for any Government to have, and we have heard today of the undoubted benefit of a small surplus we had as used by the Chief Minister. But the Consolidated Fund surplus must be analysed in the circumstances in which it is raised. I think if one examines this surplus it can be seen to hold many dangers. If the surplus proclaims Gibraltar's wealth, we may be thought of as actually wealthy and as such this may well affect our Overseas Development Aid. England may well take the view that we are rich enough to support ourselves. I am sure that if we can do without this kind of fiscal support that is perfectly acceptable. And if one looks at pages 98 and 99 of the estimates, especially 99 one sees, housing, and the vast majority of the sum for the programmes originates from Development Aid Funds. With the exception of Veryl Beggs and one other small project we are depending on those monies and

yet surely if this surplus puts the GDA money at risk then we will not be able to look to Her Majesty's Government for financial support, we will be depending on ourselves. So then one asks oneself, does the surplus really mean that we are wealthy. And in order to analyse this surplus one must examine the second precept, the fiscal policies to raise revenues. I think the primary fiscal policy is direct taxation. And this is where the DPSS take most umbrage from the Government. It is only fair to have direct taxation as the mainspring of an economy but this must not be abused, it cannot be the source of wealth, the addage of the goose that laid the golden egg springs to mind, the golden egg would be direct taxation but if you kill the goose you lose everything. If you abuse direct taxation you are not achieving wealth. And again as the last year I would refer the Chief Minister to his Ceremonial speech in February of last year in which at page 7 he said: "I have talked of public money rather than of Government funds because it is not always sufficiently appreciated that the Government is only the authority or agency entrusted by the electorate with the wisest and fairest administration of the monies which the public itself makes available through taxes. If more has to be spent then more has to be provided". The Chief Minister thus pays lip service to the origins of Government's wealth. But he does not pay genuine heed to the meaning of those words. I believe we have no right to enforce abuse in direct taxation. Harsh taxation is not going to produce wealth. And when we have severe direct taxation the tax payer feels that he is working for Government and this is not the way I believe one should raise a surplus. A surplus I believe should come about as a result of good husbandry: it should be the genuine surplus of wealth. And as such if we do create a surplus at the expense of the taxpayer, however many advantages the Government of the day may have as a result of this surplus, they may well regret the day they ever raised it. This of course is another aspect from that which people feel generally the antipathy they feel at not being able to spend their own money. If we are not the masters of our own earnings, if Government is the master then we must look to Government to see what we are actually getting for our money. And it is particularly important where we have a Government that continues to grow.

I am grateful to the Chief Minister also in his statement this morning in that he has informed us that we pay 10% more tax than the UK. So it would be fair to think, therefore, that we get 10% better service than the English taxpayer. I don't think that is true, and if one looks at just some of the services, if one looks at housing, can we say that the Gibraltarian is getting a better service than his counterpart in England. If one looks at expenditure for housing on page 37 of the Estimates, this does not of course

tell you how much money is being spent on housing it just tells you generally about the Housing Department. What I feel is that if this department as such can have a personal budget of £1.1m then surely it has enough money, has enough staff, to publish a housing list. I have already offered in this House to do my own research into the housing list. I believe that if Government, as the Chief Minister said, is using the money that belongs to the electorate, they should also provide the electorate with the housing list which will ensure that Government is seen to do justice. It is not good enough just to be fair in the allocation, one must be seen to be fair.

I don't see how the Minister will argue with any coherence that there isn't enough money and that there isn't enough staff to publish a list but I hope he will turn his attention to it. And if one looks at the actual housing projects in hand, again at page 98 and 99, we have an overall figure of £3.7m spent on housing, which is an increase, and, therefore, an improvement, but when a great deal of that money has been spent on the Varyl Segg roofs, on the Tower Blocks renovation, and the rest has been spent on projects, which though they will provide housing will not be of a major or substantial nature, one can continue to ask Government: is this enough? We would like to see on this side of the House a larger scale in the housing programme. It is not enough just to have modernisation, renovations and musical chairs. That is just trying to fit everybody into a car where they cannot fit. You have to provide more housing. And Government is forever being bogged down in small schemes. One good example of that is Woodford Cottage, where time money and effort seem to be of no avail.

So there is no point in just spending large sums of money, one has to spend money on projects which will actually provide a service, and where Gibraltar really needs Government's help today is in housing. But generally, by the same token as housing is not being catered for, one can look at other aspects of Government's work, and it is important to look at these other aspects because Government will always say that the housing problem in Gibraltar is unique. It is impossible to cater for; we are doing our best, but if in other areas where it is not an impossible task that they are facing, they still fall short, then one can question the validity of that argument that the Gibraltar housing problem is insoluble.

One looks at tourism. The Financial and Development Secretary like the last year remarks on the increase in arrivals at Waterport, arrival by sea. And last year on this side of the House we complained bitterly about the services offered to tourism, the facilities provided by the Waterport Arrivals Hall, and Government took heed. And

what did Government do, they just gave it a lick of the paint. They did one or two other things but they still have not provided an arrival hall of international status, nor one which is worthy of the tourism that comes this way. We are getting an increase in arrivals and they must not be put off by initial bad impressions. And the same way the Government were prepared to do something last year, I urge them to continue and to improve that area.

And this of course ties in with the Port generally where the cruise liners still have no facilities on arrival. And I think a small initial start would show Government that such monies spent on that area would be well conceived. And I find it alarming that the Port is not doing as well as it did last year when as the Financial and Development Secretary said the port is a very important feature of our economy. But I feel that I am unable at this stage to really discuss the target aims for the port without the benefit of the Port Study. That report I had hoped to see before the budget and I had rather banked making submissions on the strength of it. Unfortunately though we know the study is out we have not yet seen it, though I would say that since it has been ready for some time certain suggestions or recommendations on that report have filtered through to us, and in this particular sphere it is rather distressing to hear that one of the recommendations state that private businesses in the port should be moved out. We are not certain whether this is true or not, we do know, however, that enlargements of this nature once taken after the report had been commissioned and which in our opinion shows either a lack of confidence in the report, or . . . .

HON A J CANEPA:

If the Honourable Member will give way. No land, no sites, were given by the Government after the report had been commissioned. Not after the report had been commissioned. Undertakings had been made, commitments had been entered into, before the report was commissioned. The report was commissioned after I became Minister responsible for the Port and I have not given anybody, I have not asked the Government to give any sites, to give any accommodation in the Port to any private interests.

HON P J ISOLA:

Mr Speaker, I think the Minister, I cannot recall when, we did have some debate in this House on this particular aspect when we asked Government why were they giving land. It wasn't just at North Mole, it was somewhere else, if I

remember rightly, at the old Queens Stores when they were in fact asking us to vote monies. Is the Minister saying that they were commitments undertaken before.

HON A J CANEPA:

There were commitments that were undertaken by the Government before the report was commissioned.

HON A J HAYNES:

Be that as it may, Mr Speaker, it is nevertheless regretted by this side of the House that we are not in a position to comment on the Port with the benefit of that report.

To recap, Mr Speaker, I was directing myself at the kind of service which the taxpayer gets for his money. And if one is of the view, as we are on this side of the House, that we do not get a particularly good service, then we must ask ourselves the question: why? And I think here the obvious answer, one which I think would be accepted by the Government, is cost-efficiency. But it is on this same point the Government rather confuses me. In the first instance they are here asking for more money, but at the same time we have the Chief Minister's speech of this morning in which he measured his words in no uncertain manner and he has read the riot act to those civil servants who do not pull their weight. The implication is that there are civil servants who are not.....

MR SPEAKER:

Not civil servants, Government employees.

HON A J HAYNES:

Well, Government employees. Again another apparent admission of the lack of the cost effectiveness are the expenditure cuts of last year and for this year. These are implied admissions of previous inefficiency, previous inefficiency of this self same administration. And since we do belong to the same administration, they rather invite the question: does this inefficiency continue? Can we have confidence in this administration to ensure that all the cuts that can be made are being made? And again further in this sphere we have the enquiry into the Public Works Department and the intended enquiry into the Electricity Department. Again, as stated by my friend, we have to regret that we are not in a position to comment on the Public Works Department as fully as we would have wanted to since we do not have that report either. It is

unfortunate that this lack of information comes at such a critical stage in the political history of Gibraltar, which is at the budget session. But nevertheless without these reports as to efficiency we are asked to accept these increases in finance. And then one comes to the third precept, the social programme or Government policy for the distribution of the revenue raised.

On this side of the House we have campaigned or crusaded for a better view for the elderly pensioners. The pensioners are still not being treated in our opinion as well as they should be and we hope that one day we will succeed. Unfortunately of course there may not be those pensioners around whom we had in mind to benefit. On allowances generally, we would like to see more money going in that direction, but I am sure my leader will have more to say on that particular point.

As to the Port we would like to see that report, we would like to see that area being made a target for economic growth, as we would like to see tourism being made a target for economic growth. I think it is important to remember the revenue raised from yachts visiting Gibraltar as well as the revenue raised from tourists who come by sea from Africa. Those are not, it would appear, encouraged in our estimates. And of course as I stated earlier my particular concern for distribution is in housing.

We would like to see a lot more money going into housing or a lot more houses being built. And I will stress that there are a number of homeless people in Gibraltar. Perhaps under the legal or technical terms as stated by the Honourable Minister for Housing they are not homeless, but you tell people who are living on the streets that they are not homeless and they will laugh. The distress is particularly noticeable in the youth of Gibraltar, the young married couples, who unfortunately have the worst deal. It is our paradox that the older members of our society have the advantage of our rent restricted flats when they earn more money and the youth are on the whole not so fortunate as to have rent restricted flats, they do not even have Government flats, they are obliged in our society to live with their parents, their parents in law and this is not a natural way of life. I think the percentage, though I don't know the statistics, of married couples who live with other people must be higher in Gibraltar than anywhere else because the alternative to living with your mother-in-law is to live in what can best be described as a hovel. And on this particular sphere I would make a note of the Family Care Unit who give a good service but who are overworked, and that again is proof of the distress in our society. Where we need more people to research into the social complaints of the young married.

And so where does all this money go, what is the social programme for distribution of this Government? They seem to have all the right aim, education, housing, anything you say is needed or worthy they say we sort of support, but where does all the money go to? This is where Mr Bossano comes in: he says we always cribble about whether we would be more efficient than you but I find that there is that much of an ideological difference, how can there be, between us and the Government of the day when it comes to housing. Of course all parties will agree that housing is of great importance and the Government has a very onerous responsibility in that sphere. The difference is in who can do it better, cost-efficiency. But it is nevertheless. This is where Mr Bossano goes wrong. A target. I shall be delighted to hear what he has to say.

I think to sum up on the three points, or the precepts of the economic policies, of the target, the revenue raising measures and the distribution, one can say as a target: is Government revenue raising measures, is taxation and distribution, 10p for £1. The Honourable Minister for Public Works has said "charity begins at home" and he was only too right. Charity in Gibraltar begins with the taxpayer's pocket. You give out £1 and you get 10p back in services. And as a last point; and I make this point not to enrage the Government Ministers, the last time they started in dismay and said various things, why do we have more investigation into alternative energy sources, and these are solar energy, gas, anything else. There are a number of potential sources which I think we would be foolish not to explore. I am not an expert in these spheres, but certainly last year I was not as the Honourable Member Mr Featherstone suggested when referring to gas or electricity, inviting him to go and cycle down at the Generating Station, as he suggested, I suggest this question of alternative energy, especially in the light of the Financial and Development Secretary's speech as to oil which is a recurrent theme in every budget, is something that must be enquired into.

And to finish off, Mr Speaker, I would ask the Financial and Development Secretary at a later stage to perhaps give some closer indication as to what Government has involved itself in with captive insurance companies and what will this mean to Gibraltar. Thank you, Mr Speaker.

HON MAJOR F J DELLIPIANI:

Mr Speaker, when the Honourable and Learned Mr Haynes

got up and started talking about finances I thought he was going to inspire us with real new methods of raising revenues and improving the financial situation of Gibraltar, but he has added nothing and has contributed very little to the financial side of the debate. He then got on to his hobby horse which is housing and which is the concern of everybody as he rightly said. Housing is the major problem of Gibraltar. I think the Government is fully aware of that, but the Government took a decision at the last Development Aid Programme that education should be given priority. Education took the biggest chunk because we have the situation of the Girls' Comprehensive School being sited in five different buildings and the girls deserve as good a school as the boys or even better now. That is the situation why the housing situation has not leapt forward as much as we would have liked to, because we spent something like £6m on Education and new buildings for our school. Housing still remains the major social problem in Gibraltar but I do not share the view that Mr Haynes shares that housing is solely the responsibility of Government, that Government will be the ultimate authority who will solve the housing problem. I think that housing has become so expensive in Gibraltar that it is only through a kind of partnership between Government and encouragement of private developers that we will be able to improve the housing situation in Gibraltar. And we are now getting into a position where, and I know I will be criticised, our young people who are married and both couples are working and are earning quite a considerable sum of money, can become, given the right mortgage facilities, can come into a situation where they can afford to pay for a house which they will eventually own themselves instead of paying the high rents that some of them are paying now. This can only be done between a partnership of encouragement between Government and private development. To pass the onus completely on Government is a very very very long term process indeed. If we want to make short cuts it must be a question for the private developers and Government. And we must in this connection encourage people in home-ownership, that is one of the first steps. However much Woodford Cottage has been criticised the fact remains that seven people are going to be housed. And we are not going to have to pay the maintenance costs of those houses. That is an important element because the biggest millstone that housing has in Gibraltar is the maintenance that is required, and the more you encourage private ownership the less that millstone will encumber the financial position of Gibraltar. That is the crux of the matter, it is the maintenance that our housing stock requires.

Talking now of the EPP, the Elderly Persons Pension

Scheme, which is the hobby horse of the Opposition: is a marvellous vote catcher, but it is a non-starter. Just because you are old it does not mean that you are poor! The Honourable Mr Restano quoted cases of the rates being so high now that it has eaten up their pension etc etc. If there are people that he knows that are paying too much for housing, and are suffering, then we have the means to subsidise those rates. Let him bring forward names and cases of people who are deserving of having their houses subsidised, and the Government will look into it, because we have that scheme to do that. But if he thinks that because you are old you are poor then he is wrong. I can tell you of many young people who are poorer than lots of the old people that he is talking about. Let me make it quite clear, the privilege of being old does not mean that you have got to be treated better than anybody else irrespective of whether you deserve it or not.

HON P J ISOLA:

If the Minister will give way. That is not the point. The Minister has heard debates here often enough. The complaint on this side of the House is that people in receipt of one state pension are being forced to pay taxes whereas recipients of two other state pensions don't, and they are not necessarily poor because they are in receipt of pensions, they can be rich as well. That is the point. Perhaps the Minister will direct his mind to answering that point of principle.

HON MAJOR F J DELLIPIANI:

The principle is that in the case of the other two, they have contributed. We have in fact made allowances for an increase in the Elderly Persons Pensions for next year in January, and this will be reflected in the Estimates. An increase in the order of 17%. But let me assure the Opposition that Government will not change its mind: it is a Government decision. It is up to them to carry on with their slogan and their campaign for the next three years.

The Honourable and Learned Mr Haynes mentioned the question of the Family Care Unit of Gibraltar. We are aware it is understaffed, we have made provision already to increase it but again it is something very similar to the apprentices. If you train an apprentice you have to have a craftsman to guide him. It is no good employing 10 or 15 trainee apprentice social workers and not have the persons to guide them initially. Because it is no use bringing the most

expert social workers from UK to Gibraltar because they do not know the conditions of Gibraltar and you will have to have an interpreter as they go round the districts of Gibraltar. So the question of welfare assistance, welfare care, we have improved the situation and we will monitor the situation and improve it and progress it slowly. My policy in all my departments is to move cautiously. It is better to achieve your target slowly and on sure grounds than to create monsters which because financial situations might change, like they have in England, and you have cuts left right and centre which cause great traumatic experiences like they are going through in the UK. The Government's policy is to go cautiously but surely in the direction of social justice. And we are achieving social justice and our social insurance pensions scheme is among the best in Europe.

On the question of energy which Mr Haynes keeps mentioning, bigger countries are spending millions and millions of pounds trying to solve this problem and they haven't solved it yet. We are dependent on diesel for our generators and it is a fact that at the moment it is the only reliable and cost-effective means of producing our energy. And when we talk about energy I am talking specifically of electricity because solar energy will not produce electricity at the moment. Wind energy, the latest costing to give you about 3 megawatts would be £5m and you would have to have a guarantee that you would have a steady wind of 30 knots. If the Honourable and Learned Mr Haynes can tell me when we have a condition of a guaranteed average wind of 30 knots every day then I am sure it might be worth spending £5m.

The other means of energy are still at very very very early stages and until you can produce electricity directly from solar energy our situation will remain the same. We have made provisions for the future - and I am talking of next year - which will be very stable indeed. We will have enough energy resources for any future development.

Talking generally on the social services and the accusations that the Honourable and Learned Mr Haynes has made about what do we give back in respect of social services, that we only give back 10p, well I don't think that he has looked at the Estimates. Forgetting about Public Works Department which seems to be the hobby horse of everybody, look at the question of the Medical and Health Services, look at the question of the Labour Department and look at the question of the Education Department and see at the back in Appendix G just how many of our youngsters are studying in UK, and I challenge anyone who can tell me of a little town of this size who can have that number of youngsters receiving higher education at the expense of the taxpayer - of the 10p!

I am sorry, Mr Speaker, but every time the Honourable and Learned Mr Haynes gets up I get the impression he is making his speech for the next general elections. The next general elections are three years ahead. I would have expected his contribution to be on what we are talking about - the Estimates of this year - and he hasn't contributed anything except criticism. I don't want criticism, what I want is concrete suggestions and I will gladly accept them.

Mr Speaker, in conclusion, and I have never talked so much in my life before as I have done now, I would like to mention that in Education this year we have improved in capitation, we have improved in the pupil to teacher ratio we have been improving on our Youth and Careers Office, we have made great strides with the adventure playground which has become a terrific boom and the amount of children that are taking an active part in the adventure playground is fantastic. I think what is important too is that we are slowly making progress on the question of nursery provision, because here is what I think to be an untouched source of income for Gibraltar, and that is to encourage our womenfolk to work, because if more of our own women who are married go to work that money will stay in Gibraltar, it will not go away to Casablanca or to Madrid or to Barcelona or to Lisbon. The money that is earned by Gibraltarians stays in Gibraltar and we are taking a small step in improving our nursery provisions in order to encourage more of our Gibraltarian wives to work for Gibraltar because we must become as much as possible self-sufficient in our own labour force. The less we are dependant on outside influence the better it is for Gibraltar. The more that our own people earn in Gibraltar the more prosperous Gibraltar will become because as we all know Gibraltarians are big spenders.

Thank you, Mr Speaker.

HON A T LODDO:

Mr Speaker, once again it is budget time and again I must look at this budget with the ordinary man's point of view. I cannot wait to hear the Honourable Mr Bossano make his contribution. It is always worth listening to as an economist that he is. But I again tackle it as an ordinary man. The budget for an ordinary man poses two questions. What is going up and what am I going to get in return? Well, what is going up at the moment we can only guess; what do we get in return? Well, if we look over last year we can see that we didn't get any return.

The question of telephones. The Honourable Dr Valarino is very happy with the Telephone Department. The Telephone Department from what I have seen in the draft estimates is third in the departments for overtime as a percentage of their salaries drawn. And yet one hears comments in town and they are never very complimentary, in fact the most complimentary is that our operators must be very very polite because they hardly ever answer back as anybody who tries to ring enquiries will find out!

On the electricity situation one is tempted to say, the least said the better. I am tempted to say that, but I feel I must say something. Again the ordinary man in the street was led to believe that the skid-mounted generators were going to be the panacea until such time as we had the new generating station operational. Well in fact that has been proved not to be the case. One sneeze from engine 13 and we are all in the dark.

Sometimes, when listening to Ministers I get the impression that they have lost touch with reality because the reality is that our telephone service leaves a lot to be desired, and our electricity department leaves a lot to be desired. And I think it is going to be longer than one year before we are in the happy position the Honourable and Gallant Major Dellipiani said we would be. I notice in the Estimates again that the repayment to MOD the electricity consumed is in cash. There was a time I believe when we used to repay in kind. But now we cannot produce enough even for our own demands let alone pay the MOD when we have to borrow from them.

I was glad to see in the Chief Minister's address at the beginning that the budget has been framed without any consideration to a possible opening of the frontier. I like that. I really do. I think we should always look to Gibraltar and try and see our problems here and how we can best handle them without outside forces or influences. And so I am surprised, that of the £1m which this House was asked to vote at panic station time last year after the Lisbon agreement, this £1m we were asked to vote for a possible opening of the frontier and the control of traffic, and the flow of traffic, that we have in fact used very little of it and that though traffic lights which were supposed to go up haven't gone up, they haven't even been ordered. Please let us get our traffic problem sorted out before we are driven to another panic station. Because I believe that the day the frontier opens, as it will one day, we are going to be given very short notice, and we will all go into a flap again. If I may make one little point: the Honourable Major Dellipiani is quite keen to call all we touch upon individually at our hobby horse. However, I would rather have a hobby horse than a

white elephant with which the Government seems to be saddled with two: one is the sand quarry and the other of course is Tank Ramp. The hills cannot be used by cars either up or down, we do not know when we are going to get that into use.

Education. I welcome something which is not shown in the Draft Estimates, but I welcome the apparent betterment of relationships between the GTA and the Government. There seems to have been a smoothing over and I am glad for everybody's sake and not least of all school children. However I hope that these good relations will not be soured over this little question of eligibility. And I also welcome the increase this year in the education vote. When I first got the estimates I was overjoyed then of course, then when reading through it I realised that the Honourable and Gallant Major Dellipiani, Minister for Education, in trying to reach his target slowly adopts the two steps forward one step backward system. In fact increases which we have been given this year are all but eroded by inflation. For the last two years the vote on equipment has remained static. No allowance has been made for inflation, so that now when we do get these increases we realise that in fact it is only to keep up with inflation. I wonder if in fact it has been forced upon the Government so that they can actually just keep up with buying the equipment and books that are absolutely essential. However, I would like to be fair and think that in fact it is a changed Government policy on the question of education, and if it is that I welcome it wholeheartedly.

There is something else I would like to congratulate the Government on. I imagine this may come as a surprise, but, yes, it is on the question of the adventure playground. I pass that area frequently and I can vouch for the fact that it is very well patronised. And I am sure that the Government now would like to thank us on the Opposition for having made them see the error of converting that into a bus park or a lorry park. They must be quite happy now that they paid heed.

Finally, Mr Speaker, I will touch briefly on sports, and here I notice that the expected revenue from the Stadium of \$21,000 last year actually dwindled to a mere \$4,000. Well, we all know why that happened, although I see again that the Minister for Sport is having another crack at it and hoping to get over \$14,000 this year. What I notice again with a bit of apprehension is that the donations to the different sporting bodies is again left at \$12,500. Again there is no provision for inflation. On the other hand, one could interpret this as being a rap over the knuckles for having been naughty boys, and not having conformed to the Sports Committee as envisaged by the

Minister. If that is the case then I am afraid that here the Government is being mean and childish.

I know that when one goes on you are told that you like the sound of your own voice. Funnily enough I do not like the sound of my own voice. And yet when one doesn't speak for any length of time one's intervention is called brief. Possibly this has been one of my longest interventions, Mr Speaker. I thank you and the House for listening so patiently and without interruptions.

HON A J CANEPA:

Mr Speaker, I am one of those persons who believes that Government does not have all the answers, but listening so far today to the contributions of members opposite I am even more convinced of the fact that the Opposition has even fewer answers. I wonder if they even know what the questions are let alone the answers. I am very disappointed, Mr Speaker, at the lack of any broad theme, the lack of development of any broad theme in the interventions of members of the Opposition who have spoken so far, and I would very much hope that one of the remaining three speakers on the Opposition benches will attempt. The Honourable Mr Bossano at the moment sits on the Opposition benches, in due course no doubt he will be making a contribution perhaps from this side of the House.

I am sure that year after year we convince him more so by our performance as to the right course which our political, financial and economic policy are taking. But I hope very seriously that some attempt will be made from the opposition benches to give this debate some direction, because I think it doesn't have any. I am particularly disappointed at the opening speaker, from the Opposition benches the Honourable Mr Restano, who is something akin to a financial adviser for the Opposition that he did not himself attempt to lay down a theme that others could speak to. I am doubtful about Major Peliza. I usually find myself during a budget debate speaking after him and having to answer for everything that he has said going back to 1969. On this occasion I have decided to leave that to my Honourable Friend Horace Zammitt and I hope that he may have an opportunity to answer Major Peliza.

HON MAJOR R J PELIZA:

If the Hon Member will give way. Mr Horace Zammitt being responsible for tourism and I being his shadow he would like to make contribution first so that I can least answer his policies.

HON A J CANEPA:

This is why we find ourselves running out of Ministers.

HON MAJOR R J PELIZA:

You still have plenty more.

MR SPEAKER:

Order, order.

HON A J CANEPA:

But I do hope that someone will try to bring some order into what I would call apparent madness.

Last year I remember Mr Restano distinctly saying that he could find no justification: "I don't think that there is any justification for having such a high balance in the Consolidated Fund." That was last year. I am sure those remarks apply even more so this year. But there is justification. And justification is to be found in pages 19 and 20 of the excellent introductory statement of the Financial and Development Secretary. And I would remind him briefly of what that justification is. First of all that account has to be taken of outstanding bills which can form a significant proportion of the Consolidated Fund as is the case now. There are about £2.4m outstanding in spite of efforts to catch up on arrears, and I refuse to mention which is a sector of the private sector which is a very important defaulter in this respect but they are people who are clamouring for assistance. The other consideration is the relationship between the Consolidated Fund Balance, the Public Debt, and the Public Debt Service Charges. The public debt is going to be some £24m. It is a colossal

figure. And the only way that the Government can aspire to credit worthiness is if it is in a strong financial position. There is no other way that the banks are going to be lending money to the Government. So there is definitely justification. There is political justification, what is more, which I will come to in a moment in taking up a point made by Mr Haynes.

Mr Restano spoke expressing disappointment at the fact that last year the Government under pressure from the Opposition had not agreed to an increase in personal allowances as proposed by them of £200 and had only had £100. I have no doubt, Mr Speaker, that later on in these proceedings we are going to have the same bleat again. The Government will reveal its income tax package and the Opposition will be disappointed. If the Government is giving X they will say you should be giving X + X, at least X + X.

He also made the point regarding elderly persons whom he said are paying as much in rates as they get from their pensions. I am surprised that these people do not apply for rent relief if that is the case. But then of course it could well be the case that they have other substantial income which may put them above scale as far as rent relief is concerned. But if the Honourable Member has any concrete cases that he knows of he should advise these people and they may be entitled to rent relief, and they should go along to the Housing Department and apply for rent relief, because rent relief covers the element of rates as well.

Now, Mr Haynes said that with regard to having a very large surplus in the Consolidated Fund balance the British Government may well turn round and say: you are too well off, you don't need any economic, any development assistance from us. To score a debating point I would say to Great Britain that is only they tax themselves personally as heavily as we have been doing ourselves for some years, because personal direct taxation has been very high in Gibraltar and is very high at the moment, if only people in the UK suffered as much in direct taxation then the financial position of the British Government would be as good as ours if not better. But the fact is that they don't. The fact is that the Conservative Government has been reducing taxation except that this year they did not honour a commitment that they went into last year when allowances were going to be index related by law and then of course they do a U-turn and they pretend that they haven't done that. But that is an answer first of all. The second answer of course is that

we should never allow ourselves to be in a weak financial position because then we are subject to political pressures, political which may have something to do with the development programme but which might have something to do which is much more serious than any development programme and that is against the context of any future negotiations about the future of Gibraltar. That is a point we should never lose sight of. We have got to be strong financially, we have got to be strong economically if we are going to be strong politically. I think we have got an answer on the development programme. Distortions have been introduced into the economy of Gibraltar as a result of 11 years of economic siege. I think the British Government will accept that, and I am very hopeful that we are going to get very substantial development aid. We will have to take into account Britain's difficulties, we will have to take into account the cuts that they are having in Overseas Development Aid, but I think that we shall do pretty well. I am confident that we shall and we are in a position to supplement with our own efforts. We can say to Britain, look, we have been taxing ourselves, we are doing our bit now you help us to remove these distortions in the economy so that we can take advantage of the boom that is expected when the frontier opens and also so that we can carry on a substantial housing programme that will eradicate, that will put right, what the British Government failed to do in pre-war days. Because nothing was done about housing and that, is the legacy that successive Governments of Gibraltar have had.

My Haynes said that the Government has no right to tax. The Government has a right to tax. The Government has a duty to tax. Let me tell Mr Haynes that there are in fact constitutional safeguards in this respect, because if ever you had a Government that did not have the political will to raise taxes as they should be raised in a given situation, as we found ourselves two years ago when we only had, what - Mr Isola worked it out in his little computer - six days was it? five days of working capital? against that situation if you had an irresponsible Government that was faced with a general election and was not prepared to raise the necessary taxes, there are constitutional safeguards, and they are reserved powers in the Financial and Development Secretary and in the Governor to put that right. But in any case, in any case, I think the Government has the duty to raise taxation commensurate and to meet the social policy which it intends to implement and which it may in all probability have been implementing over the years.

We have been very progressive in the social services. Our medical services, our education, our social security, are second to none, and that has got to be paid for, and the way that it has to be paid is through income tax, because income tax is the fairest means of taxation. Those who have more pay more and that is how it should be.

That is what distribution of wealth is all about and this is something that we have entered into in electoral commitments and we do not shy away from it.

Mr Loddo said that he was rather pleased at the fact that the Chief Minister had said that no account had been taken in the framing of this budget of the opening of the frontier. If he will read over last year's Hansard he will find that his Honourable Colleague on his right, Mr Restano, that his Honourable Colleague on his left, Major Peliza, and his Honourable Colleague and Leader on his left, Mr Isola, criticised the Government last year when we came to the House eleven days after the signing of the Lisbon Agreement for not taking any note of the opening of the frontier in framing last year's budget! Now, what sort of consistency is that from a junior member of the Opposition benches.

HON P J ISOLA:

If the Honourable Member will give way. If he would cite that to me I will be very pleased to hear it, because that is a distortion that has been put on the Opposition stand on the budget last year by Government Ministers.

HON A J CANEPA:

The Chief Minister will have something to say about that. But I was reading through the three interventions that I have mentioned yesterday afternoon. I read through the whole of the Hansard speeches of the Members that I have mentioned and that was the theme running throughout. But of course Mr Loddo may have forgotten about that.

HON A T LODDO:

Mr Speaker, I have not forgotten about it, but you see I took.....

HON A J CANEPA:

You disagree with them then.

HON A T LODDO:

I was being consistent, I didn't say that last year. I hold my own views possibly a bit more extreme on the question of our dependence on Spain.

HON A J CANEPA:

Now, Mr Speaker, I am glad that I am in a position where I have answered those who have spoken from the Opposition benches, because I am sure that if I had stayed behind to listen to other members I probably would have had many more notes taken down and many more points to bring up, and I am glad I am in a position where I can deal rather more positively with those matters which are my direct ministerial responsibilities.

It is just over a year ago, Mr Speaker, that I took over responsibility for Economic Development, for the Port, which is inextricably taken up more so these days with economic development, and responsibility for Trade. And in so far as the economic development is concerned this is very much for me an opportune moment to inform the House on the three major areas of development, firstly the progress which has been made on the 1978-81 Development Programme; secondly, the preparations for the next Development Programme, including the Government's development strategy for that period; and thirdly the Government's approach to development in the private sector.

It will be recalled, Sir, that the 1978-81 Development Programme envisaged expenditure of around £28m of which it was assumed that some £14m would be financed from local funds. The aid allocation of Her Majesty's Government for that period was £13m of capital aid together with £1m for technical assistance. The position today, Sir, is that whilst the ODA commitment remained at the ceiling figure of £13m the Gibraltar Government's contribution has now increased to some £20m. And in the past the relationship between actual and planned expenditure of aid funds in the Development Programme had been disappointing and slippage

had on average been around 35% of the original allocation. In so far as the ODA contribution is concerned the carry over figure for the current programme is in fact put at some £3.7m, or around 25% of the total allocation. This in fact represents the lowest ever figure of financial slippage on any Development Programme. Moreover if we take account of the fact that at the 1978 talks it was already anticipated, it was already well known, that there were going to be slippages on the major projects in the programme, namely the Girls' Comprehensive School, then the result overall is even more heartening and especially in respect of other projects. This improved spending programme confirms the Government's ability to cope more effectively with its development plans and I think that it augurs well for the future. I would like to refer now specifically to some of the more important areas of the current programme.

Insofar as Housing is concerned planned expenditure on Housing has been more satisfactory than in previous programmes, but I will admit that physical progress has still been disappointing. Expenditure on Housing under the current programme is around £9m, and this includes a carry-over of around £3.4m. Since 1978 a start has been made on a total of 323 houses of which 180 units have already been completed by March 1981 with a balance of about 140 units under construction.

HON MAJOR R J PELIZA:

Is this modernisation or new houses?

HON A J CANEPA:

Modernisation and new houses.

HON MAJOR R J PELIZA:

Could he say what number are modernisation and what number are new houses?

HON A J CANEPA:

No I haven't got those figures, perhaps in committee that information can be provided.

It must be recognised, Mr Speaker, that progress on the housing programme has been severely constrained by a variety of factors. In the first place the acute shortage of accommodation generally has meant that decanting has proved to be extremely difficult to implement. We were warned about this. I remember Mrs Judith Hart telling us about it three years ago in March 1978. She warned us about the difficulties that she was familiar with in Glasgow in respect of modernisation. But, nevertheless, I have no doubt, Mr Speaker, that this is something which if the Gibraltar that we all know was environmentally to be preserved it was something that we had to persevere with, and I think that the result already at Tank Ramp, at Lime Kiln Steps, earlier on at Flat Bastion Road, and in Castle Road and Road to the Lines. I think the results prove, environmentally at any rate, the good sense behind these policies. Also there have been other largely unavoidable physical problems such as site access, for instance at Lime Kiln Steps and Tank Ramp, site access is extremely difficult; sewer diversions; major structural alterations; difficulties with foundation works in Tank Ramp and so on. The delivery of building materials and specialised equipment from abroad has also been subject to serious delays particularly as a result of the effects of strikes, notably the steel strike in 1979, and we were fortunate really insofar as the reclamation project between Nos 2 and 3 jetties is concerned that in that instance the steel was ordered from Luxembourg which was cheaper and which arrived on time and that is why this project has been a great success.

The Public Works Department was not able to recruit the full complement of technical staff until the end of 1978 and this meant that there was a delay in the preparation of some working drawings and bills of quantity. At the same time there have been serious financial constraints, a major one has been the increasing cost of building, construction costs have practically doubled between 1978 and 1980, and this has meant that housing projects have been subject to reappraisal and inevitable delay. To give a few examples tenders of both St Jago's and St Joseph's housing projects were in fact double the originally estimated provision.

Education. The major project in the programme has been the Girls' Comprehensive School. Progress on this project has been affected by a number of factors including mobilisation, delivery of materials, the reprovisioning of the Public Works Garage. It is now expected that the school will be completed in April next year.

The Port. I have made reference to the reclamation project. This is one which is a cause of particular satisfaction because apart from it being completed on schedule there have also been possibly marginal savings of the overall estimated cost. I will be dealing later on with other aspects of the Port separately.

I think we should stress that the Gibraltar Government's financial commitments to ODA Funded Projects have risen sharply from an estimated £.9m to in fact £4.5m. This has been largely due to cost overruns and is composed of the 10% local contribution which was agreed to at the last aid discussions for new projects, plus supplementary finance made necessary once the full ODA allocation of £13m had been exhausted. In addition, Sir, the Government has a diverse collection of minor projects in the Improvement and Development Fund running at an average cost of some £3m-£4m. The outcome of all this is that the Government is already committed to a heavy borrowing requirement before any account is taken of any contribution to the next development programme. The Government's plans have also been adversely affected by the upward movement in interest rates. Since the 1978-81 programme was prepared the United Kingdom minimum lending rate has increased from 10% to 17% which means that the commercial borrowing has proved to be very expensive and despite recent cuts the Government is currently paying some 14% for its commercial borrowing. Overall progress has been considerably improved however by the close monitoring of projects by a committee which meets monthly under the chairmanship of the Chief Minister. The Government therefore feels that performance on the current programme has been satisfactory particularly compared to that of previous programmes and in the last year in particular progress has been extremely good. I remember Mr Isola last year, Mr Speaker, at page 245, remarking that it was very encouraging that £1m could be spent in one month and that this augured well for the future. The comment was somewhat sarcastic in effect. But let me tell Mr Isola that we haven't just spent £1m, in fact in the last month, March 81, we have spent £1.35m. And then remarking about our overall provision of £10m he thought that if the Government achieved the development target of £10m which they had set themselves this year they would be extremely happy. Well as he knows we have done that. We have achieved and met the target fully. Major Peliza.....

HON P J ISOLA:

If they spent the £10m they said they would spend they would still be left with £13m of the Development Programme. I must have said it somewhere else I suppose.

HON A. J CANEPA:

It goes over the page, page 250. Certainly nobody would be happier, Mr Speaker, than this side of the House if the Government achieves the development budget of £10m which they have set themselves to do. Well, you can see all the faces there exuding happiness. And Major Peliza in the context of the opening of the frontier said that if we did better this year, if the development programme was successful, he said in the context of the opening of the frontier, "All the ingredients will be there to make it possible to move faster now. I suppose it will be easier to find labour, it will be easier to find materials, and therefore the problem of course will be smaller. That is something else that the Government should have mentioned here." Well the frontier didn't open, it wasn't easier to find labour, it wasn't easier to find the materials, but we did spend the ten something million pounds and that is something to be really proud of.

Turning now, Mr Speaker, to the next Development Programme. We have been very closely concerned with progress on the current programme, but we have been making early preparations for the next programme. With this in mind a Forward Planning Committee was set up towards the end of 1979. The Committee was charged with the responsibility of ensuring that all potential projects had been worked out in detail and costed in order that the momentum of the 79-81 Development Programme, particularly the good momentum that we now have, could be kept up. By November 1980 the Government had already completed its plans for the next programme, which as I have previously informed the House spans the five year period 1981-86. The broad objectives of the plan are: (a) to maintain and improve the standard of living of the people of Gibraltar; (b) to secure infrastructural self-dependance; (c) to diversify the economy; and (d) to promote a more equitable distribution of income and wealth. The Government's aid submission, together with its development proposals, were submitted to Her Majesty's Government early in February of this year. Aid talks on this next programme are expected within the next few months. But because we do not wish to prejudice

our position for these talks we have made no provision, as has been previously mentioned, for 1981-82 under the Improvement and Development Fund, at least for the majority of the projects which are planned under this next programme. The exceptions are, the only exceptions, the development of the power station, the telephone expansion and a number of housing projects. These will be financed from local funds. Nevertheless I can say that the next programme is aimed at investing substantially in the infrastructure including the Port and includes provision for the construction of new housing reflecting the importance and priority which we attach to the matter and for other areas of perhaps lesser but nevertheless important social interest. This Forward Planning Committee has proved to be a useful coordinating basis for the preparation and implementation of development projects, and I think that the effectiveness of the Committee is also perhaps a reflection of the lessons that we have learned in the past. We already have a number of housing projects which are ready to go out to tender, and the impetus on development planning has therefore been accelerated, and once we know the outcome of the Aid Talks the Government will be ready to go out to tender on a series of major projects. I should stress that the projects which have been lined up for the next development period do not only take account of Gibraltar's needs in the existing situation, for example by way of housing, but also have an element of contingencies in the event of an opening of the frontier. It is likely however that if the frontier were to open further substantial investment would be required.

I feel I should emphasise, Sir, that the Government's development strategy is closely linked to its budgetary planning. It is important that recurrent revenue should grow sufficiently and that the reserves are healthy enough to cover Gibraltar's borrowing requirements.

I wish to turn now, Mr Speaker, to development in the private sector, all the more so because this is also connected with my other responsibility as Minister for Trade. The Government underlying approach to the development of the private sector is one of creating the right condition for diversifications as opposed to providing direct assistance, although it may be necessary to intervene occasionally and temporarily to assist particular areas for industries in need as is being done this year with the subsidy on water to the hotel industry. As part of the income tax review Government has, therefore, given consideration to providing better incentives for investment through accelerated depreciation relief. The Development

Aid Ordinance is also being changed. The details of these measures will be revealed during the course of the Finance Bill to be laid before the House during this session. There may clearly be a need to refine, reform or introduce measures which will assist particular areas in the private sector further, but I must stress that if we are to enter a period of even greater consultation with representative bodies, not only the Chamber of Commerce and its allied associations, with whom I have held a number of meetings, but with the trade unions as well, then it is important that these associations should present specific proposals to the Government.

And now a word on the private sector development. The year's activity was highlighted by the completion and opening of a new Marina with first class facilities at Bayside. This has been a singular event of special significance at a time when competition in this sphere makes it all the more important that Gibraltar should be able to compete on even terms with our competitors. Mr Speaker, Bayside Marina sees the successful completion of a project of which Gibraltar can be truly proud. It is a magnificent monument to the zeal, decision and hard work of my predecessor Mr Abraham Serfaty, and I want to take this opportunity to publicly pay tribute to him. This new Marina complements Shephard's Marina whose pioneering efforts were the first to exploit Gibraltar's unique position as a focal point in the traffic lanes of Western Europe. I am also pleased to note Shephard's continuing interest in expanding and improving their present capacity and facilities. Negotiations are continuing on the terms under which such expansion is to be arranged. Further construction work is also proceeding at Marina Bay which will result in a substantial number of flats when the project is completed.

Other schemes in the pipeline are the erection of the block of 20 flats at Prince Edwards Road; residential development on the site of La Terraza in Catalan Bay; a shopping arcade at the entrance of Main Street in addition to the similar type development already under way at the same end of our main shopping area; the rebuilding of the old Continental Hotel on modern lines; the construction of up to 17 terraced houses at Woodford Cottage; the provision of 9 superior dwellings on the site of Buena Vista Cottage; and the erection of a number of garages workshops and stores at North Front. All these provide or will provide work for the building industry and is therefore to be welcomed. Such schemes will also be of benefit to Gibraltar as a whole for a variety of reasons which I do not think I need elaborate. The above, Mr Speaker, is only a selective list of the many proposals which have been or are being considered by the

Development and Planning Commission who interpret such interests by private firms and individuals as a sign of faith in the future of Gibraltar as a striving and forward looking community.

HON MAJOR R J PELIZA:

Mr Speaker, what about Engineer House, did he mention this. There was once a project for Engineer House.

HON A J CANEPA:

No, I haven't mentioned Engineer House, Engineer House is earmarked as Government housing in the next development programme. There will be Government housing and some amenity area with some landscaping, the intention being to give people in that area of town a place where.....

HON MAJOR R J PELIZA:

There has been a change of plan....

HON A J CANEPA:

No. I am not aware that there has been any change of plans. Turning now, Mr Speaker, to the Port, and here I would like to highlight the Port Feasibility Study. The House will recall that the Government appointed PEIDA, Planning Economic Industrial Development Advisers, in association with Wallis Evans and Partners as Consultants for the Port Feasibility Study. The Consultants were asked to make detailed recommendations for the phased development of the Port up to the year 2000. We received the interim report in October 1980; this was followed by a visit from the Consultants who held meetings with Government Ministers and officials with a view to clarifying queries and obtaining a directive on which options should be examined and costed in greater details. The final report, which is a very comprehensive document, was received towards the end of February and is being considered by the Government. I shall briefly outline the main recommendations and observations made in the report. It proposes a specific 10-year plan for the development of the Port. The main objectives can be summarised under two general headings: Management and reorganisation of the Port and physical development. In so

far as management and reorganisation are concerned the consultants recommend an improvement in Port security by the erection of a new security perimeter fence and the establishment of a system of Port passes and control of entry. In addition they recommend that immediate action should be taken to clean up the Port. Provision is being made in the Estimates for this purpose. The Port Department will be purchasing a small truck which will be used for this. Relocation of non-port users is also recommended. At the same time I should like to mention that the Port Offices are to be moved to the Western end of the North Mole for which provision is also being made in this year's Estimates, and I very much look forward to being able to stand up and say at this time next year that the move has been finally undertaken. In so far as physical development is concerned the replacement of the Viaduct is not recommended since this would entail the full diversion of road traffic and pipelines, instead it is proposed that the pipelines and road should be diverted onto a causeway with the advantage it would add as a retaining bund for future land reclamation. It is recommended that the causeway should be to the North of the Viaduct and the estimated cost of this is in the region of £1.1m. Various reclamation schemes are examined and full reclamation at Waterport basin is recommended as a first step towards future reclamation. In addition three alternatives layouts for development of the reclaimed Waterport basin as a ferry terminal are considered. Each layout is designed to handle a mixture of passenger and freight roll-on-roll-off traffic with the provision of a passenger terminal building and vehicle inspection shed. The preferred scheme consists of a jetty offering a twin berth with two roll-on-roll-off ramps and a high level pedestrian walkway connected to a passenger terminal building. In more general terms the consultants also recommend an improvement of existing Marina facilities and the provision of better facilities for visitors arriving on cruise liners.

The Port consultants have indicated that the development most likely to be economically justified, given an open frontier situation, are those associated with the provision of improved ferry terminal facilities with car parking and marshalling areas and passenger handling facilities. The Gibraltar Government intends to proceed with a complete reclamation at Waterport Basin which together with the provisions of roll-on-roll-off berths and the rationalisation of existing port facilities account for an investment requirement of around £4m. These proposals are to be considered as part of the next development programme proposals. Meanwhile the Government has made

provision for the construction of an unstuffing shed adjacent to the new container berth and there is provision in the Improvement and Development Fund 1981-82.

Sir, the report is complex, and due to the heavy preparatory work for Ministers in connection in fact with this budget session, it has not been possible for Ministers to discuss collectively the report as yet. The Forward Planning Committee will be meeting to discuss it and make recommendations to Council of Ministers immediately after this meeting of the House is over. The report is also of a sensitive nature so that I doubt whether Government will decide to publish it, but I do propose to keep in mind the position of and the interest of members opposite regarding this report. I wish to take this opportunity, Mr Speaker, also to publicly thank at this stage the staff of the Port Department for their good work over the year. The Port Department is perhaps one of the Cinderella silent public services but it is very efficient. There are good industrial and staff relations at the Port. The staff there are happy with their work, something which is perhaps rare in these days. It is a young staff and an able staff which I think Gibraltar can be truly and justly proud of.

And to conclude, Mr Speaker, I think we can say that we can look back over the year with satisfaction and look ahead to the future of economic development in Gibraltar with optimism and confidence, despite the uncertainties which an open frontier might pose. Thank you, Mr Speaker.

MR SPEAKER:

Well I think this will be an adequate time to recess until tomorrow. Mr Isola you were going to report back to the House with your views on the times of starting meetings.

HON P J ISOLA:

We would like to meet, as I have said, we did express the view of 9.30. Perhaps we could meet at 9.15. We would like to meet after 9 o'clock. And as regards to the fact that we were able to start at 2 o'clock instead of at 1.30 pm I think is not so much to ask for.

MR SPEAKER:

We started not at 2 o'clock but at about seven minutes to two due to my personal fault, once you reminded me of the fact but what are the Chief Minister's views on this?

HON CHIEF MINISTER:

Mr Speaker, 9.15 a.m. I don't mind but not 9.15 for 9.30. That is to say that we ought to be in the House at 9.15 sitting and not just people starting to arrive.

On that basis I don't mind.

MR SPEAKER:

Then perhaps for the good order of the House and so that members can make their own arrangements, I think I should say that for the remainder of this meeting the hours of meeting will be 9.15 a.m. to 12 midday 1.45 pm to 5 o'clock. We will therefore now recess until 9.15 tomorrow morning.

THE HOUSE RECESSED AT 5 P.M.

THURSDAY THE 23RD APRIL, 1981.

THE HOUSE RESUMED AT 9.20 A.M.

MR SPEAKER:

I will remind the House that we are still on the second reading of the Appropriation Bill. The floor is open to anyone who wants to contribute.

HON MAJOR R J PELIZA:

Good morning, Mr Speaker. I would quite honestly have liked the Minister for Housing and Sport who is now responsible for tourism to have spoken before me. I think it would probably have saved me a lot of trouble in that obviously I shall now literally have to put words into his mouth, as it were, quite unnecessarily. However, Mr Speaker, because it appears that the Minister would rather have the last word - possibly a sign of

weakness, I don't know, perhaps he is not very confident on how the question of tourism is doing under his guidance, I don't know. The fact remains, Mr Speaker, that I have had to stand up and start trying to find out how the Government is going to find its way ahead in the coming year and what has happened in the last year. Perhaps, Mr Speaker, the only way I can go about this to start with is to establish my position, why I am speaking now, then I shall go into the broader aspect of the budget, as I think the Minister responsible for Economic Development would have liked to hear more from this side of the House and I will try and do my best to please him in that respect, and then finally, Mr Speaker, I will come back to Tourism which is the thing I am responsible for.

Now it is rather interesting that the Minister has done a very sharp U-turn on the question of tourism already. And of course I am referring to the question of the subsidy of £50,000 on water to the hotel trade. Something that of course I welcome very much and something that if you remember, Mr Speaker, I tried to get the Government to do last year. Now having said this about water myself, and to establish it I must go back to the Hansard of last year, I said: "Let us take for instance the question of water for hotels. And now I am talking economics. If we say that because cost-effectively the hotels cannot really survive unless the water is subsidised, and the hotels should be closed, I think this is taking a very narrow view of the situation. Although the hotels may not be able to make such profits and they have to be subsidised the tourists who are coming to the hotels will be spending money in town which is generating wealth for Gibraltar. So one must not take the narrow view that the water supply for the hotels must not be subsidised simply because it is not cost-effective. We have got to see that in this aspect of the general economy of Gibraltar, and, therefore, with all due respect what I heard my Honourable Friend say was that the hotels should be closed." Now I remember then that Mr Joe Bossano did not agree with that. He thought that there should be no subsidy at all on water to the hotels. So what do we hear the Minister say. First of all I think he criticised me very strongly and he said: "Mr Speaker, I would say that it has become customary over the years....."

HON H J ZAMMITT:

Mr Speaker, if the Honourable Member could tell us where is he reading from so that I could follow this.

HON MAJOR R J PELIZA:

Page 553 of the Hansard. Would you like me to quote the other page as well? It is page 538, the one that I refer to the water. So he then went on to say: "I would say that it has become customary over the years that I have had the privilege of following the Honourable and Gallant Major Peliza's contribution," which he is of course going to do again today "and quite honestly, and I have said this before, "so he no doubt will say it again, "it surprises me that the gentleman who has been in the House for a reasonable amount of years, a man who has been Gibraltar's Chief Minister can be so poor in his contribution to a budgetary debate." and then, Mr Speaker, on the question of water he says: "But, Mr Speaker, to ask somebody who consumes six times the amount of water that the ordinary Gibraltarian uses, we are not asking them to pay the moon, and I am sure, Mr Speaker, that six times the water account of the Gibraltarian I think it is quite excessive, it is quite excessive, and the same should apply to anybody else. Why do we not subsidise bars who use water in cleaning up and supplying the tourists, why the hotels alone." And now, Mr Speaker, we find that he has agreed one year later of course to give £50,000 on water to the hotels. That is a U-turn, Mr Speaker. And this is not the only U-turn of the Government. There are many more which I shall point out as I go along with my contribution which I know the Minister doesn't like.

Now, Mr Speaker, to the substance of the budget. I think the Government should accept that we are not trying to make political capital out of the budget session, but there is a big difference of principle between them and us. That is a fact. And the whole thing hinges, Mr Speaker, on what we believe should be the reserves that the Government should hold in relation to the circumstances of Gibraltar at the time. That is a fact. They believe that they should have a huge reserve because they believe that that will make the Government credit-worthy: we believe that that is not the only thing that must be taken into consideration, that there are many other factors that have to be taken account of, and we believe that there are occasions when the reserves need not be all that high. That is a difference which I hope the Government will accept: this is a genuine

difference of approach. This is why, Mr Speaker, we are an alternative Government, because in that respect we do not think alike. They believe in taxing people because they believe that it is essential to have all this money. We believe that there are other ways of generating activity in our economy and of stabilising the position of Gibraltar in a very different way. I will try to explain that.

Now, first of all, Mr Speaker, one has to go back to the statement made by the Chief Minister, and the Chief Minister says that he is confident in the future and one has to refer to the end of the speeches Mr Speaker, which is para 36, where he says: "Sir, we present this year's budget with confidence as to the future." If he presents his budget with confidence as to the future surely his confidence is not based on a surplus of £10m, because if we realise it, what is that worth? Three months, Mr Speaker, three months of Gibraltar's financial requirements. Who, Mr Speaker, in Gibraltar as a family, forget now as a Government, can be confident in the future because he has in the bank enough to keep his family going for three months? The confidence, Mr Speaker, is not based on that small saving which is peanuts, the confidence is based, Mr Speaker, on whether you have the capacity or the resources to carry on existing not on that balance, Mr Speaker. In fact, most of the nations have huge deficits. I believe Britain has got £52 deficit. I am just guessing but I believe that that is the case. Why? Where is that confidence, Mr Speaker? The confidence is obviously on the resources of the nation, and I hope that the Chief Minister's confidence is not based on the £10m because that, Mr Speaker, is nothing. It must be based on how we believe we are capable of sustaining ourselves in the future. That is what we must believe in. Therefore, I think that his confidence is wrongly placed if that is the way he feels. I hope he doesn't, I hope he thinks more than that.

Now, the Chief Minister, Mr Speaker, has always thought, wrongly, that we have been criticising the Government for the sake of criticising it. Only yesterday I think we heard the Honourable and Gallant Major Dellipiani attributing that sort of attitude to the Opposition. That is not so, Mr Speaker, as it has been proved in the Chief Minister's statement, his own statement, which I am going to refer to again. And now, Mr Speaker, we must go to para 2 of his statement, and there he says: "This year's budget must be seen primarily against the background, in particular, of the financial situation as it was in March 1979, and of the manner in which the Government dealt with that situation and the policies pursued since that time."

And then he goes on, Mr Speaker, to para 3: "It will be recalled that, at the time, the end of year reserve had fallen to an estimated £300,000, and the estimated figure at the end of March 1980 was a deficit of £890,000." Then he goes on to say, now he identifies it, "I identify the main causes of that situation as being the gradual growth of Government spending generally, the working of excessive overtime and low productivity." It seems as if somebody else who has done this. It was his own Government that had been doing this, Mr Speaker. And it was this side of the House that was drawing attention to this point right through the years Mr Speaker. Wasn't that an honest criticism, Mr Speaker? But it took him a few years to identify the problem. That Mr Speaker is the sort of mismanagement that we were talking about. Month after month, Mr Speaker. And now the Chief Minister admits it. Let us go on to the next paragraph, Mr Speaker. There is a wealth of information in the statement that the Chief Minister has made. "We took immediate corrective action. We set up an Expenditure Committee and an Overtime Committee and intensified our efforts to increase productivity throughout all Government departments. A number of revenue-raising measures were adopted. Our aim was to achieve, by the end of March 1980, the very modest balance of £1.2m". Mr Speaker, of course through all his mismanagement he had to tax the people. This is what happened. The cost of his mismanagement had accumulated, and now to put it right he had to start taxing people. And of course he discovered something else, that productivity was essential. Productivity, Mr Speaker, was the point that I made on my opening speech when we took over Government.

And then, Mr Speaker, there was laughter in the House - laughter. Productivity was almost a dirty word, Mr Speaker, in this House, at that time. But a few years later another U-turn Mr Speaker, another U-turn. Now productivity is very important. But you know, the reason they say the situation is getting better now is because of productivity, but he does not pinpoint as to where productivity is producing and the results. I wish he did I wish it came out with figures showing where the productivity have been really effective. This is what I would like to hear from the Chief Minister. Not all this rhetoric but facts and figures, Mr Speaker, which is what we are after. Facts and figures which are possible in reports that we cannot see because we are having a very close Government unfortunately, we are suffering from that disease at the moment in Gibraltar, Mr Speaker. A very close Government. There are a lot of committees of enquiry, lots of reports, but nothing, nothing is made public.

That I think is a disaster, Mr Speaker, a disaster for democracy and a disaster for good Government.

And so, Mr Speaker, we now go to paragraph 6, and there he says: "We accordingly introduced further revenue-raising measures, though not on the scale of the previous year". He admits now that the scale of previous years was pretty harsh "and set as our new aim for the end of March 1981 a Consolidated Fund Balance of between £5m and £6m only, which I describe as modest, prudent and necessary". Now, Mr Speaker, how would he describe the £10m. I would have thought extravagant excessive and unnecessary, Mr Speaker. That is what I would reply. I hope that now he understands why in this House we are so strongly against the idea of accumulating all this money when the money should be left in the hands of the people to spend in the way that they wish to spend it, and they would possibly spend it better than the Government. This is the great difference, Mr Speaker, and this is unfortunately what is not percolating to the people of Gibraltar. Because obviously if they keep electing this Government time and again they themselves are only to blame for what it is costing them. It is quite an expensive Government, Mr Speaker, this is what the people have still not quite understood. Well, I was going to go more into this, Mr Speaker. Literally. But I think I have made my point in that respect. What can I say. Keep going through what has happened in the past years, how electricity has gone up 5% telephones 15%, water 50% in 1979. Now again in April 1980 the consumer has had to pay a bill for 50% more for electricity when he wasn't getting it! How would the Government feel if this is instead of being a Government concern was a private concern? What would be the reaction of the Government to a concern which is charging you for a service which it is not giving to you Mr Speaker? What would be the reaction of the Government to a concern which is charging you for a service which it is not giving to you Mr Speaker? What would they think of that? Imagine that instead of being a Government concern it was a private concern? Goodness gracious me, what would happen with the Consumer Unit about this, Mr Speaker? But the point is that there is nothing the people can do. If his telephone doesn't work for three months he still has to foot the bill Mr Speaker. If the water comes out blue green or all sorts of colour and he has to throw away 20 gallons of water he still has to pay, Mr Speaker. Of if there is no water in the flushing cistern he still has to pay, Mr Speaker. What would happen if those services that the Government is supposed to provide were private services?

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Now, honestly: imagine that one of those gentlemen sitting on the other side, Mr Speaker, in his own house, instead of the services being Government they were private, what would he do? Pay those bills? Or would he say we will go to court and clear this matter up. Because if you cannot provide an efficient service there is no reason why they should force me to pay. Of course the citizen of Gibraltar is helpless in that respect. All they can do is come to us, and we come to say it here as I am saying it now.

HON A J CANEPA:

If the Honourable Member would give way. Would he clarify one point. Is he saying that if a consumer, even with power cuts consumes in a particular month say 500 units, and had there been no power cuts he might have consumed 600, is he suggesting that that consumer should not pay for the 500 units that he has consumed in spite of power cuts? Would he clarify that please.

HON MAJOR R J PELIZA:

Mr Speaker, of course he would have to pay.

HON A J CANEPA:

Is he telling consumers in Gibraltar that they should not pay for what they have consumed?

HON MAJOR R J PELIZA:

Mr Speaker, I am not saying that the consumers in Gibraltar should not pay what they have consumed, but I still believe, Mr Speaker, that in certain instances, for instance, if the water is thrown away then certainly they should not pay for it. If the telephone doesn't work, and more. If there is a disturbance of service I think it is only fair that since the Government was supposed, or the private firm was supposed to give a certain service, if it doesn't give it, there should be some compensation for not giving that service. You just don't pay exactly how much you pay for units but if that particular district for instance was suffering cuts .....

HON M K FEATHERSTONE:

Would the Honourable Member clarify what he means by the water that is thrown away?

HON MAJOR R J PELIZA:

Yes. I don't know, Mr Speaker, if he has had this experience. I have certainly had it very often in Penney House.

HON M K FEATHERSTONE:

Not very often.

HON MAJOR R J PELIZA:

Yes, very often, very often. At least about once a month. Very often, Mr Speaker.

MR SPEAKER:

Order, order.

HON MAJOR R J PELIZA:

You must admit, Mr Speaker, I do make the Government speak. You must admit that, Mr Speaker. I mean I have had a number of interruptions, which of course I welcome, because it shows, Mr Speaker, how effective I must be when I bring them to their feet. It must show that it is effective and in that respect I am glad because I can see that I am really not wasting my time.

HON CHIEF MINISTER:

That is only a sign that the others are very ineffective.

HON MAJOR R J PELIZA:

Well, I am not saying that the others are very ineffective, all I am saying is that I certainly am. I am certainly hitting the bullseye, Mr Speaker. Well, the question was - I am sorry !!

HON M K FEATHERSTONE:

Could the Honourable Member explain what he means by water thrown away.

HON MAJOR R J PELIZA:

I think what happens is that something is definitely wrong with the system because they keep making repairs and then when you turn on the tap the water comes out a sort of yellowish colour. You just cannot use that water, you have to throw it away. Well, I am surprised, Mr Speaker, I really am surprised that the Minister doesn't know that. I am really surprised that the Minister does not know that that happens. I think he should try and find out and then he might be able to put a stop to it. Now that he knows he might be able to stop it. And if he can do that it will be for the benefit of everybody.

So, Mr Speaker, that is mismanagement based on monopolistic power: that is what it is. It is a monopoly, there can be no competition and if the people who are governing have not got the ability to manage the concern in a proper way the problem arises and as we have seen it is here with us now. And of course the public has got to pay for it. Not only is it monopolistic, it is unfortunately an indispensable service that the public must have willy nilly, and if necessary they have to pay through their noses willy nilly.

Now, Mr Speaker, if we analyse the truth of the situation, of why Gibraltar is prosperous and why we can have confidence in the future, the truth is, Mr Speaker, parity. Parity is the reason why we are prosperous in Gibraltar. Parity is what the Government was going to have over our dead bodies, Mr Speaker. Parity only started when Frank Judd came to Gibraltar and more or less agreed and I think the Government got to the stage of almost resigning if the British Government gave us parity because parity was integration, Mr Speaker. That is what it was. It is the fundamental principle of integration - parity. And we have got it, Mr Speaker. We got it and because of that we have prosperity. And now Mr Speaker, the Government is 100% for parity, another U-turn Mr Speaker, another U-turn, a very sharp U-turn. And it is

parity, Mr Speaker, not productivity, Mr Speaker, not good management, it is parity. And on that I have my confidence. And I go further. The confidence is based not in parity itself, because that is a by-product, the confidence lies in whether our defence industry is going to carry on in Gibraltar or not. This is what we really have to understand. I have always said this, this is not new to me. I used to be shot down when I used to say this. I remember having said, don't bit the hand that feeds you, and I was horribly criticised to that. And this is so, Mr Speaker, this is the gold mine. But Mr Canepa still believes that it does not. And the budget has gone up from £3m to £40m, Mr Speaker, and there is no gold mine in Gibraltar.

I am very grateful for the analyses that the Financial Secretary has made of world finance and British finance, and I have no doubt that we shall hear something similar from my Honourable Friend Mr Bossano when he speaks later. I am sure that I will listen most attentively to what he has to say. But all that being said, that affects us only marginally. What affects us, Mr Speaker, is whether in the Budget of Great Britain Gibraltar remains a Base and if the Dockyard is needed. There is the answer to our financial situation, - there is our faith in the future, there is in the Chief Minister's words, - his confidence. And this is what I would have liked to have heard from the Financial Secretary and from the Chief Minister. What is the position of the Base in Gibraltar. I would like to hear that at every budget session, at every budget session. Because that is our key to the future. Now, happily, happily I think the situation at the moment is very good, from what I gather. I do not know, I do not have any inside information. It is what I read. First of all we had the debate on the adjournment by our friends in Parliament, Michael Latham, who brought this out, and there the Minister for Foreign Affairs Mr Luce stressed the importance of Gibraltar as a Base. I haven't got copies of the Hansard here but it is really good reading and that gives me a lot of confidence.

Secondly, Mr Speaker, we have the Defence establishment in the United Kingdom, presenting a memorandum to the Foreign Affairs Committee, which I had the pleasure of hearing in the House of Commons, and there again they emphasised the importance of the Base of Gibraltar, for Britain's defence and for NATO. And now I have looked at the White Paper which has just come out and there luckily again they mention Hong Kong, they mention Cyprus, they mention

Belize, there were changes last year, a few more changes this year, but Gibraltar remains untouched. So it lacks to me as if at present and in the foreseeable future we can be confident because it so happens that Britain wants the Base and the Gibraltarians are in total agreement with the defence of the Western World and the freedom that we enjoy. In that I think we are together. There is absolute trust between us. This is great, because here as a population we are just not mercenaries, we are just not getting money out of this, we are also contributing, contributing in our own defence and in defence of Great Britain and in the defence of the free world. I would certainly like Mr Joe Bossano to say something about the Dockyard. He must obviously be very well versed on what is happening there as certainly I think is the Financial Secretary and the Chief Minister and I suppose if they do speak separately the Chief Minister will have the last word and perhaps he could say something. This would be the most reassuring matter in this budget. But of course there are other industries on which we depend.

There is the question of tourism which I think is the second largest industry in Gibraltar, on which I shall have something to say, the Port. Tourism can be divided into two, tourists coming from the UK, London, Manchester, then we have the day visitors and others coming from Morocco which I think is a market that needs exploiting and as I have said before should be exploited, and I do not believe, I do not believe, but I will have to say more about this, we are getting the best out of that. The Marina, which I think is coming out fine and may I say, just for the record, that it was my Government who gave the approval for the Marina in the Town Plan. That is on record. And I should say now we shall praise the courage and confidence the developer, I think it is Mr Peter White, showed for the Marina. He is the man who put his money where his mouth was. All of us were just talking about it but the real courage comes from the man who puts his money into it and he did. In my time he didn't ask for a penny of subsidy. Not one penny. And he did the same thing with Holiday Inn. So that man I think should certainly receive the congratulations and thanks from this House.

Before I come to the question of Tourism and Port I would like to answer a few of the points that were made by other Ministers. Now I think Mr Featherstone, who always had a go at integration although he chooses what is good about it, parity, spoke about taxation. Taxation, the fact that is, and I have been saying it for a long time, we were paying more. The Government never accepted that, now they do. Now they accept that we are paying 10% more than in the United

Kingdom by and large. Another U-turn, Mr Speaker. No doubt we shall see changes there, no doubt in the personal allowances. We made that point very strongly last year. We said it could be done and I am sure we are going to get that, I can predict it. Another U-turn, Mr Speaker. I must say that we do not have an effective Government, we have an effective Opposition, Mr Speaker. That is what we have at the moment, an effective Opposition. By hook or by crook, and it can take us a little time, but we normally get the Government there.

And so we have then, coming back now to his department, where he admits the proportion of the budget is about 33 1/3%. An unwieldy department, Mr Speaker. The reason why it is costing so much money, the reason why the Chief Minister has realised that an enquiry had to be carried out into the department, was that it is too large, it is out of control. Personally I think there was no reason for an inquiry. What there was a need for was to break it down. Break it down so that there was more direct responsibility with the grass-roots, that was the solution. I do not know what the solution is going to be. Again it is another feature. God knows when we shall hear about it. Eventually I suppose it will come up, normally you hear about it on the grapevine, not always the exact and true story but you do get to know things which is bad in fact because it would be much better to hear things from the horse's mouth so that we know how we know how we stand, but, no, no information yet.

I am very pleased about the apprentices. Again I think our friend here, Mr Willie Scott, did a lot for that. Another U-turn, Mr Speaker, because I think that at the beginning when the motion was presented - taboo, impossible. Even Mr Joe Bossano thought it was impossible, and then eventually we managed to get them down. Another U-turn, Mr Speaker. Now to show again, Mr Speaker, the cost of the department he says that a requisition for a small repair in a house costs £70!

HON M K FEATHERSTONE:

If the Honourable Member will give way. He did not say for a small repair, he said that on average it works out to £70. Some are quite big repairs.

HON MAJOR R J PELIZA:

Well, Mr Speaker, I wish he were a bit more specific because really because he had said nothing then. We know nothing about what a requisition costs. I don't know any more. I can only go by what he says, £70. But he says, we will just make a token charge: a waste of money then, Mr Speaker, a waste of time. The administration of that is going to cost more than the money you are going to collect, and yet you hear the Housing Minister - this is why the right hand does not know what the left hand is doing in the Government. The Housing Minister said he cannot keep a list of the people on the waiting list because that is going to cost more money. Mr Speaker, if the Minister had spoken before he would not have had to say rubbish now.

MR SPEAKER:

My objection is that I do not mind him saying it afterwards but not whilst you are speaking.

HON MAJOR R J PELIZA:

Yes, Sir, I am sure he will.

I might as well touch on this now because I think the question of the housing list is an important point. I know the Minister does not like anybody talking about that because it is a very sore point with him. It is a very sore point with the 1,750 people who are on the waiting list, Mr Speaker, that is what the sore point is and I think that they deserve more consideration than they are getting, Mr Speaker. It is very likely that the people who are on the waiting list, who have got no hope of ever getting a house at the rate of building that is going up - because we hear from the Hon Mr Canepa who is now in charge of development that altogether we are going to have 323 houses of which a number of them, I do not know how many, he doesn't know, possibly half, are going to be modernised. So you divide 323 by two and you have about 160, and we have a waiting list, Mr Speaker, of 1,750. The Minister says no, not 1,750, maybe 1,751, 1,752. . . .

HON A J CANEPA:

The Honourable Minister has said no such thing. I did not say anything about 1,700.

HON MAJOR R J PELIZA:

I am not saying you did. Not you.....

HON A J CANEPA:

What you are referring to is.....

MR SPEAKER:

Order. Please listen to me. You will speak to the Chair and you will not give way.

HON A J CANEPA:

May I add one thing, Mr Speaker.

Would the Hon Member try to be coherent and logical please, otherwise we have to interrupt him, and would he try to keep to facts and not twist facts because if he twists facts I will try to interrupt him every time.

HON MAJOR R J PELIZA:

Mr Speaker, I am sorry that I seem to be getting him up on his feet again. I was not looking at the Minister, Mr Speaker, I was not referring to him at all. But the Minister for Housing, who is the one I am addressing - I am not addressing Mr Canepa at all, he is assuming this, he probably has a guilty conscience, I don't know. He is assuming I was speaking to him. I was not referring to him, Mr Speaker.

I was speaking to the Minister for Housing. And so, Mr Speaker, we go on. We find that Gibraltar is dirty and now someone is saying that Gibraltar is the dirtiest town in the world. But whether we say rubbish or not rubbish the fact is that people are saying it. This may not be so but they are saying it. What do we hear from the Minister? We are doing our best to collect rubbish, I agree, I think the Government is doing its best to collect, but because we are collecting people are dumping rubbish in different places, they think that those are dumping grounds. Isn't the Government capable of getting some policemen, there are plenty in Gibraltar, to watch that particular spot? And when they catch someone take them to court. Isn't that possible? Isn't it possible for the Government

to change the law and really have stiff fines for people who do that. Why not, Mr Speaker? Why is the Government so incapable of governing, Mr Speaker. That is what it comes to. Why? The result, Mr Speaker, are dirty streets again.

It is very difficult for a Minister responsible for Tourism, and I grant him this, to improve the product if there is no way of keeping Gibraltar clean and tidy: the essential things, forget about embellishing the town, that comes later. But the first thing you want to do is to keep Gibraltar clean. That is number one. Go around Gibraltar now, anybody and see how things are piling up all over the place. If the Government is going to pay in the end, let us pay first. If they are not going to pay then let them become practical and so avoid the situation arising. Because if they do keep doing U-turns, not only in this House but outside the House and everywhere, they lose their credibility. This is going to happen.

HON CHIEF MINISTER:

I do not normally like to interrupt, but the Hon Member is obviously unaware of the settlement of the previous dispute where we did not give way and the matter was settled.

HON MAJOR R J PELIZA:

I am not saying that they did or did not in the previous dispute, but the fact remains that people feel that way, and Gibraltar remains dirty and Gibraltar is dirty today. And I think the Minister who says rubbish must accept that it is dirty today. If he doesn't, therefore, he is behaving like an ostrich. And I wish he realised this because then he would do something about it. That is a fact. You cannot expect tourists to come to Gibraltar, and pay much more than for other places, I'll be coming to that, not because we want to make it expensive but because by the nature of things it is an expensive place to come to, and it is very difficult, I know. I sympathise with the Minister but I hope that within his Government he will do his best to try and get the Minister responsible for keeping Gibraltar clean and tidy to do it. It is no use passing it to an outsider like our very good friend, Mr Montegriffo, who is out of Government now. It is not fair in fact to do that. Because if the Government who has got the power cannot do it, it is a little unfair to ask a man who, after all, has retired to take on what seems to be one of the most difficult problems of Gibraltar to keep it clean.

I am pleased to hear that the refuse destructor is going to work. But I think we ought to think ahead and it is obvious that the tonnage of consumption has gone up from 30 to 42 tons, as the Minister said, and I would like to know for how long that present plant will be able to sustain this. Have we got a projection to the future as to what else we want to meet and so on and so forth. I do not know whether perhaps the Minister or the Chief Minister can tell me later personally because I am interested in that. That is essential to keep Gibraltar tidy. We must have a way of disposing of our rubbish. That is absolutely essential. The last thing we want to do is to put the chute into use once again as a result of which the rubbish will float on to our beaches and that of course, again is not going to be helpful to tourism.

On the economic development programme, Mr Speaker. I am sorry to see that out of two sites, Woodford Cottage and Buena Vista, we are only going to get about 25 dwellings at, I think, a cost that people can hardly afford, and what is even more dangerous here is that we are making a distinction into what you call the high density and low density area of Gibraltar. We are creating, as it were, two classes in Gibraltar: one who live, - the Chief Minister is again making funny faces, but it is a fact that if we are going to have a place with high density and we are going to have a place of low density in no time the status of the people who live in the high density area will be very different to the people who live in the low density area. Whether you like it or not, Mr Speaker, that is a fact. I am surprised that the Minister for Economic Development, Mr Canepa who claims to be a socialist, should be presiding, as it were, over this change in Gibraltar. I believe that because of the scarcity of land in Gibraltar, any land that is available should be exploited to the maximum in relation with the rest of the population, so that if we have accepted high density in other areas because we want to make the best use of the ground for all the people of Gibraltar, unfortunately because of the amount of area that we have, we cannot make a distinction. It is unfair on the population. It is unfair on the 1,750 in the waiting list. It is very unfair and it is also very dangerous. I say it is very dangerous, Mr Speaker, because very near us, on the other side of the frontier, in the land of the prosperity that Sr Castiella was offering us, as the Chief Minister has very bluntly stated, and I am glad to hear him say this, Mr Speaker, there are plenty of houses which are empty. And if the frontier opens how can you expect Gibraltarians living here who haven't got a hope ever of getting a house, if they are offered a house on the other side at a reasonable rent, or with the possibility of buying one, don't you think that it is very human to be tempted no matter how rock-like they may be.

The Chief Minister should give thought to this. This is why we should give priority, one, over everything else to our housing. It is vital that we concentrate on this. And from what I have seen producing 25 houses in Buena Vista Cottage and Woodford Cottage on a low density scale at a very expensive price is not getting us anywhere. For a long time I have said that a scheme must be devised for people to buy their own houses in Gibraltar, particularly for young people in Gibraltar. I had a scheme once for Engineer House, this is why I asked about Engineer House, which was going to be done partly with Government money, partly with John Mackintosh Trust money and partly, I was hoping, from other sources. The Chief Minister does not know but Mr Abraham Serfaty does know, a long time ago when I was in Government, this is what I was going to do, and this is why I am saying it now, Mr Speaker, because I think it is still possible to do it. This is why, not because I have any hope of doing it myself but because I may encourage the Government to do something like it. The idea was to build studio flat houses for the young people of Gibraltar where the husband and wife are working, where with that they might be able to afford to start buying a house together. Possibly some of the firms would be prepared to give them a loan, big firms like Blands and other firms and get the whole scheme started. Because once they got into that house, if the Government came with a second scheme, with somewhat larger houses, so that the young people having started in that house they would move from A to B. They would have a deposit from the value of that house on a strictly commercial basis, so that the individual is not only paying rent but also saving money, money that is appreciating because we know that a flat that twenty years' ago or less was worth £7,000 is today worth about \$45,000. It is a good investment on its own. The Government has tried and failed. And the Government is trying again and I think failing, and if it is not the scheme is only available to a minority. The Government must use more imagination. The Government must understand human nature a bit more. The Government must understand that the person who is going to buy a house wants it to be his to dispose of as he chose to dispose of it, and not restricted because otherwise he is not going to buy and we are all wasting our time. This, Mr Speaker, is something that has got to be devised. Perhaps there should be safeguards, I agree, but within those safeguards, the scheme has got to be made attractive enough for the people to buy their own houses. This above all is a way of establishing a permanent community in Gibraltar which will never move, because once they take root in their own property the Gibraltarian becomes even more attached to his own town. That perhaps, Mr Speaker, is what the Minister for Economic Development should

concentrate on, housing. And I hope that in this new Development Programme he is just about to go to the UK to seek financial aid for he will take into account this very important thing. And that if there is time, I hope there is time, he will change his mind about the little projects that are going up at Woodford Cottage and Buena Vista Cottage.

If we go on with the Development Programme, Mr. Speaker, we come to the Port and there we are thinking of having ferry terminals. I do not know how long it is going to take but I agree that it must be done. I am not against it, I personally have been constantly urging the Government to do something about the berths for the cruise liners and above all the Tangier ferry. That is something that could be done now, we haven't got to wait for the money to come in, this is essential, we must do it now, it is possible to do it. Clean the area, I believe that the Hotel Association and the people who I will talk about later have already made a suggestion that there should be a different way for passenger with luggage or no luggage to exit from the Tangier ferry. I think this is a very reasonable suggestion which I hope the Minister will take seriously and see that it is implemented.

#### HON. FINANCIAL AND DEVELOPMENT SECRETARY:

If the Hon Member will give way. Those facilities already exist, Mr. Speaker, luggage and no luggage.

#### HON. MAJOR R. J. PELIZA:

Very good, I am so pleased to hear that. This is the way, the suggestion was made, it has been accepted, fine. There are a lot more of those things that can be done, there are a lot. All we need to do is to realise that within our means there is a lot we can do and we haven't got to wait for big Development Programmes to carry them out. When the time comes, all the better. It is sad, Mr. Speaker, that in a place like the Waterport, where the value of the area is so great that, the Government did not have the foresight to stop the extension of buildings in that area whether or not the thing was decided before or after the survey. I don't

think it requires spending 2100,000 in a feasibility study to realise that that area is very precious and that if things can be carried out somewhere else, then, they should not be done there. What is the Government's explanation for that? Why did they give consent to that. Is there anyone who can explain this. Not like the Minister for Economic Development who said that it had not been done during his time: well, whether or not it was done then or before..... Well, let the Chief Minister say.

#### HON. CHIEF MINISTER:

The Hon and Gallant Member is, again, twisting the facts. What the Minister said was that the feasibility study was asked for in his time and since he had been there, there had been no commitment. He gave a sequence of events. That is all he said and what is happening now is that the facts are being twisted.

#### HON. MAJOR R. J. PELIZA:

No, no, no. What I want to know is, why was this authorised; it was the Government who authorised it. So it is really of little significance whether the Minister authorised it before or after. He didn't. Obviously he did not know about it but someone must have authorised it, and whoever made the authorisation must have made an assessment of why it should be given there. The Chief Minister should know and why does the Chief Minister not say that. All I want to know is that. It is a reasonable question. And although the Chief Minister interrupts me every moment he feels like it, when it suits him, he will not come forward now and give the answer to that. He won't.

There are four little points, Mr. Speaker, which I am going to touch on now and then I am going to start on Tourism. The first is GBC, Mr. Speaker. I wonder when, and I hope that again we can hear something about this, when broadcasting of the proceedings of the House are going to start. Broadcasting is essential for this House of Assembly so that people get to know what is happening. I know that GBC gives publicity but I think the people want more publicity. And whether they want it or not I

think it is fair that this House should make this service available. We believe in open Government. This is about the only bit which is open of this Government, this House, so at least let us make sure that the people get to know about it. And I hope that the Chief Minister will have something to say on the question of broadcasting which has now been pending on for a few years now, Mr Speaker, and nothing has happened.

Then, Mr Speaker, I do hope that we will hear something about Mackintosh Hall. There has been a change of Director. I do not know whether that in any way will affect the running of the place, but I still believe, and I still say, and I know that the Chief Minister laughs at this but I take it very seriously, that that place should be made available at election time for candidates to address Gibraltar, yes. I say that and I will keep saying that every year, Mr Speaker, until something happens.

Then again I must come to the next one which again I say every year, that the Gibraltar Tourist Office should be used to propagate Gibraltar in a political sense, Mr Speaker. There has been, and I have got to mention this here because it is a very important bit of paper this one, of which I think very little has been said in Gibraltar from what I gather, there has been a paper presented to the Foreign Affairs Committee by Professor Allan of East Anglia University which attacks the very core of our rights in Gibraltar. He goes and attacks the preamble to our Constitution. He says that the situation is such that the minority..... I won't discuss that Mr Speaker, but the reason why I bring it out is that this can be discussed in Gibraltar. I don't know why, Mr Speaker, but it is hardly discussed in Gibraltar, not even in this House. This, Mr Speaker, is a very important document which undermines the position of Gibraltar. It is very plausible. I do not know whether the Chief Minister is going to discuss this in the House, but if he is I hope you can give me information to answer him if he says anything about it later on. The fact remains, Mr Speaker, that it is a very plausible document, people can be taken in by it and unfortunately in England we have no way of combatting that kind of attack against Gibraltar. And I say - I hope the Minister does not take this personally, for goodness sake don't come out with the argument he wants a job for himself. If that is the way you think then we are all wasting our time. That is certainly not the idea, I couldn't care less about

myself, it has nothing to do with me, have there whom you may, but it is essential that we have some kind of organisation in England, and I think that the Tourist Office is the best one, where we can project our ideas, our views and our situation in Gibraltar. That is vital to us, I keep saying it. I hope it is not too late.

Another point that I always try and bring out is the index to our Hansard. I suppose we haven't got the staff to do it. I think it is important that we should have an index to our Hansard and if necessary that this House should vote funds for this. I hope the Chief Minister can do it on this occasion. It is not going to cost all that much but at least we shall have an index and we shall be able to use the Hansard. Anyone who wants from Gibraltar can come along and find out of any copy what he wants to see about Gibraltar and what happens in this House. As it is now it is a waste of money, all of that stored up, all that information stored up, so difficult to get when for a little expense we should have it. It is almost as bad, Mr Speaker, as the Housing List that the Minister doesn't want to produce.

Now, Mr Speaker, I'll go on to Tourism. Remember, Mr Speaker, it is the second largest industry in Gibraltar and it is not a laughing matter at all. A lot of people depend on their employment in Gibraltar for that. So, Mr Speaker, tourism, as I said is the second largest industry in Gibraltar. Not only do a lot of people depend on it for their livelihood, I think it has a very good social side to it, particularly in the present situation under siege where we have people coming to Gibraltar. It is as it were a breath of fresh air to see compatriots from England coming to stay here, people from the other side of the Straite, from Morocco, in fact all nationalities coming through. It widens our outlook and keeps us in touch with the outside world. It is very important from many aspects. As you know, Mr Speaker, I think it was in November last year, I introduced a motion into this House about the Government trying to get an Advisory Board going which I know the Minister accepted in principle and I know it is a very difficult thing to get going, and I think it will be productive in the long run. A number of months have gone past and there has been no Tourist Advisory Board functioning yet. But knowing the rate of progress of this Government it does not surprise me at all. I do hope, however, that sooner or later they will come down. I do know, Mr Speaker, that a seminar was held about which I have a lot of information, a seminar was held on 17 and 18 March in which people from

the UK representing advertising and public relations were also present as well as members from practically all the interested bodies in Gibraltar which are connected directly or indirectly with the promotion and the running of tourism in Gibraltar. I understand that it was a very successful meeting. I am very pleased to hear that this was so. For a meeting to be successful in the end it is necessary to carry out the things that are agreed by consensus at that meeting, and what I am going to do is to enumerate the things that were agreed upon and perhaps the Minister later will be able to say whether he is in agreement with them, or the Government is going to do it, whether they have done it or whether it is impossible to do it. That will be of great satisfaction to me because I will know in which direction to move after that, and I think, above all, it will be of great interest to all those who spent time at the two seminars to find out whether they were really wasting their time or whether something reasonable has come out of it. I believe that they are meeting again some time in July where no doubt the Minister will be able to report. I don't know whether I will be here or not but I certainly will not be at that meeting and I am entitled as Shadow Minister to make my comments and expect, if possible, from the Minister his comments as well.

I think that the great problem for the tourist trade is the question that because of parity the cost of running a hotel is high, and we have got to accept that. But there is one thing for sure, whether they like it or not, they might even accept it, they are no fools, but we cannot exchange one for the other, and that the priority as far as Gibraltar is concerned, certainly as far as I am concerned, is parity. So we have to live with that. And it is possible to live with that and there must be ways and means not only of overcoming that difficulty - we have already had one, the question of the subsidy of water, Mr Speaker, which I think is reasonable under the present circumstances. I believe that once the business is generated and the scale is reached where there really is no justification for giving any subsidy to any business, let alone the hotel business, then of course, it should be withdrawn. I am sure the Minister will agree with me on that. So that is one way, Mr Speaker, of overcoming it. The other one was as they all said was the question of improving the quality of the product rather than bringing the price down, because it was impossible as they saw it to bring the price down. So

tremendous efforts have got to be made to improve the product so that we attract the higher bracket of the holidaymaker. It is difficult, particularly at this time, when the pound buys more outside Gibraltar, where the United States is a tremendous attraction, and so on and so forth. The difficulties are there. But we have always been able to overcome difficulties and we must not see them as unconquerable because I think we can. We have the will, the ability and above all we have the weather which can help tremendously to do this. Except when I come here, because every time I come I bring the rain! I have almost stolen that job from the Chief Minister. At one time he used to wave his magic wand and it rained, now I have to bring my raincoat every time I come to Gibraltar, which is very unfortunate, because I enjoy the sun as well. So therefore, what they say is, that we must improve the product, we must make the resort much more attractive than it is today and we must plan short-term and long-term. I must say that they have been very constructive and have perhaps a number of ideas which I think if carried out should be able to help. I think they agree that the fees on public relations should be doubled and I notice in the Budget that the fee has gone up slightly, but not doubled. I believe that there at least there is a sign of goodwill on the part of the Minister to try and be accommodating. Whether he has done it because of that reason or whether there is any other reason I don't know, but it is obvious that they have thought it was a good idea.

On the question of advertising where I remember asking the Minister a question in March, Question No. 50 of 1981, where I asked him "Will Government give a breakdown of how the £150,000 in the Tourist Office vote of 1980/81 Estimates, Head 24, Subhead 14, are being spent?". He gave me the answer as: "the main consumer media production support and sundry advertising was £91,000". They spent £91,000 but it looks to me as if in the seminar it was agreed that it should be increased to £160,000. That is what I am given to understand. In the Estimates, Mr Speaker, subhead 14 has gone up, from £150,000 to £200,000 which is another £50,000 but of course not all goes into advertising. Some money goes on things like coupon response £3,000, brochure, posters, leaflets, £32,000, trade from sales £12,400, PR visits £3,200, updating audio/visual £4,800, and agency fee £2,900. I would like the Minister to give me a breakdown later on either now or at the Committee Stage it doesn't matter, of the way that the £200,000 are going to be spent. We must realise how important it is to advertise. If we consider that the amount of money being spent in the budget overall is £40m+ and we are spending on advertising £200,000 out of that sum of money,

it is very little money out of that budget on an industry which is our second largest industry, and which the Financial and Development Secretary has said brings in for the Government at least £10.5m. What percentage is £200,000 of £10.5m. I think it is, very little, it is 2%. What business, Mr Speaker, would allocate out of an income of £10.5m, 2% of that income on advertising? when advertising is the thing that is going to bring most of the money in. It is an income for Gibraltar. Gibraltar is getting from tourism £10.5m. and we are spending 2% of that on bringing more business in. No wonder we are not making all that headway. In fact no business would be able to sell, Mr Speaker, if the amount of money allocated to advertising was that. I suggest, Mr Speaker, that if the amount of money....

I will give way to the Financial and Development Secretary if I am misinterpreting what he says because I would very much like to because it is in his statement, Mr Speaker, that he says that £10.5m is coming in. Am I right in that? No?

#### HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, the point that I would have liked to have made, I didn't want to interrupt the Honourable and Gallant Member, is that the income to Gibraltar is £10½m., it is not £10½m. to the Government of Gibraltar and, therefore, to correlate the £200,000 to the £10½m. is with due respect to the Honourable Member taking it a little too far.

#### HON MAJOR R J PELIZA:

Yes, I know his thinking now. I don't agree with that, Mr Speaker. This is it. And I am very glad that he has brought it out because now we know what the argument was. I don't agree with that. I think that the benefit is coming to Gibraltar as a whole. The Government is not acting here as a tourist agent, the tourist agents do their own publicity, and that is part of their own business and they must be encouraged to do more. But the Government is interested in sustaining that very vital industry of Gibraltar. Either they are or they are not. If they are not then of course they will not relate one to the other. I do because I am. This side

of the House is interested in more than £10.5m. coming into Gibraltar out of the tourist trade of course. Because the tourist trade is not for the benefit of the Government and we all know that. Of course the Government will get some benefit, of course they will get some benefit. They will get some benefit from the indirect taxation that the tourists who come to Gibraltar pay which I don't think can in any way be assessed. I don't know, perhaps the Financial and Development Secretary has ways of assessing that. There is money coming in through indirect taxation and there is money from the profits that the establishments who adhere to the tourist trade pay in income tax, etc., etc. So there is a correlation and I cannot agree with the Financial and Development Secretary that there isn't. There is very direct correlation between the money that we spend on advertising and the money that the tourists spend in Gibraltar, and I believe that more money must be spent in advertising to make Gibraltar known. What we are striving for we are striving is to get more tourists to Gibraltar, this is what we are talking about, this is why, Mr Speaker, we are spending a lot of money on the statistics that we produce. Why do we do this, Mr Speaker, if we are not interested in seeing that more tourists come to Gibraltar. Of course we do and here we have the figure. And what we have in the figures is that there has been a drop. And the reason why I am saying that we should try and overcome this drop is precisely because we are not spending enough money on advertising on the tourist trade as a whole as best we should. I believe that it would be interesting to find out what proportion of the budget in places like the Isle of Man, Guernsey and Jersey is spent on advertising. It would be interesting to know. Whatever it is we must bear in mind one thing, that since they are much bigger even if they put a small percentage of their budget into advertising it is obvious that the product is much more in England than ours since consequently our proportion is even smaller therefore the number of adverts and publicity spots that we get on television or some other media must necessarily be all that small. And, therefore, I urge the Minister to see what he can do in that respect because it is vital that we spend more money in making Gibraltar known and that he pays attention to this matter.

I believe that the situation is getting bad for this coming year notwithstanding again that in another answer, Mr Speaker, the Minister for Tourism said that the prospects for this year were good. He said that apparently the bookings were better than for last year. Yet, we find that one very important operator has dropped

out. Now if an operator drops out it must be because things are not going all that well. And he is one of the biggest operators of England, OSL. Now they have dropped out. And it is unfortunate that they have dropped out because they also use their own charter; which means that now the seats obviously available to come to Gibraltar are reduced by all those who will come whether, OSL operational or not; who will come to Gibraltar, but they will have to come through Sutton or through Exchange Travel Air Europe, or British Airways. But the capacity of seats in the aircraft will be reduced, and I believe that at one time last summer they had two charters operating. So we are going to be two charters short this year. We must accept, I think the Minister will accept, that even if the booking is good the fact that one operator has left is not I think a good indicator because obviously business goes where there is money, there is business, and if they drop out it must be because they see no business there. That I hope will make the Minister realise that we have to make all that extra effort to put this matter right.

Now the hotels I think are keen in improving their amenities, and I believe that one of the problems they encounter is the question of depreciation of furniture. I hope the Government can consider how they can tackle this one. I don't know how long a piece of furniture lasts in a hotel. It might last 5 years, 10 years, but that is something that.....

MR SPEAKER:

We must not talk of those details on the general principles of the Bill, with all due respect.

HON MAJOR R J PELIZA:

It is an item that will come up later at the Committee stage. I will tell you why this has to do with the Budget itself.

MR SPEAKER:

We must speak about the general broadness of tourism, we must not speak about the detail of how long furniture

is going to last and how much it is going to cost because otherwise we get bogged down in detail.

HON MAJOR R J PELIZA:

It is coming to depreciation, Mr Speaker.

MR SPEAKER:

Yes you can speak about the principle of Government subsidising hotels but let us not go into the depreciation of the particular furniture being used in the hotels.

HON MAJOR R J PELIZA:

Mr Speaker, then perhaps the Government would like to look into the question of depreciation of furniture because if this is shortened it means that they cannot replace it quicker. It is an important point from their point of view because that is the only way we can do it.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

Subject to your ruling, it is a question or a point that possibly the Honourable Member could make on the Finance Bill when one is looking at taxation, if I may suggest that.

HON MAJOR R J PELIZA:

So the same thing applies to licences, to air taxes which will as you say arise later on. This one is on expenditure and perhaps you will allow me, Mr Speaker, the question of Port area where they would certainly like more police to control the traffic when they do have it and also they would like to have a telephone at Western Arm, something that I hope the Minister can put right. They would also like, Mr Speaker, to concentrate on the embellishment of tourist intensive area, and perhaps the Minister for Public Works would like to take that into account. They would also like to see tours of the military tunnels, fortifications and waterworks

which I believe is within our rights to grant. They were apparently very popular once upon a time but were discontinued. I do not know why they were discontinued but they believed that this would be helpful. There are many other small points that they would like to see like a Military Museum, a North African Landing Museum attached to the Military Museum, which I think is a very good idea. They would like to see a flea market somewhere once a week. And this again, Mr Speaker, the question of sale tax or what I think VAT matters always take up a budget, and I will read it out as a revenue-raising matter, I think, in that respect so as not to really incur your odium, Mr Speaker. I think I better not go into any further details which I may be able to tackle later with the Minister when he speaks if he allows me to interrupt him.

There is however one point important, and this is very much principle, Mr Speaker. This is to do with the division between the staff in Gibraltar and in the United Kingdom.

I have said before that the counter of our shop as it were is basically in the UK. I know that we have other sources like the Marina, I know that we have Morocco and I know that we have the cruise liners. All those of course are important and when I am talking about this I want to make it quite clear that in no way am I belittling all the other sources. But this one by and large at the moment any way is the most important one. Therefore we should concentrate on this one. I also know, Mr Speaker, and operators do it themselves, that the most effective way of selling a product, apart from advertising which attracts the public generally, is to go to the salesman who literally is going to sell it at the counter. For that we need a sales force literally culling on a truly business footing. Not just have a salesman who sits at his desk day and night, that is not what we want, it is the fellow that is out on the road all the time making reports, bringing reports back, and literally by the end of the month to really get to know all the customers know their idiosyncrasies and know how to go about it. You know who is selling you know who is not selling. And then for a little place like Gibraltar, Mr Speaker, where we do not need all that amount of tourists coming here, in my view that is probably the most effective way of consolidating our position once the attachment is created by our sales advertising... And for that I think a re-arrangement of our personnel is needed. I find it difficult to believe

that we need so many people in Gibraltar just sitting downstairs, or wherever they may be - I am not doing nothing I haven't said that the Minister has said that - but you have got to assess as to whether what he is doing downstairs is more or less important than what he would be doing somewhere else. And within our own resources, say, well if we have to give something up then we are going to give this one up because we are going to get more by doing it somewhere else. I don't know. I cannot make an assessment of that. I don't know the inside out. I would like to hear the Minister's view on this, but as an outsider you might say to me the suggestion is a logical one. It may be impossible to implement, maybe I am talking through my hat, I accept that but I make the suggestion in good faith.

Right, Mr Speaker, I think I have perhaps taken a bit too long. On the other hand, Mr Speaker, I think it is the privilege of a Member of the House to stand up and express his views to the best of his ability. Maybe my ability is very limited, yet no one can deny that I haven't done my best. I sense, unfortunately, that the Government is very obdurate in their views. On the other hand I don't despair because I have seen them as I have pointed out make U-turns and, therefore, I am always hopeful that suddenly there will be a U-turn. No wonder, Mr Speaker, that with the Government making so many U-turns we have so many traffic jams in Gibraltar.

MR SPEAKER:

We will now have a very short recess of no more than 10 minutes to have coffee.

THE HOUSE RECESSED AT 10.50 a.m.

THE HOUSE RESUMED AT 11.05 a.m.

HON H J ZAMMIT:

Mr Speaker, Sir, I can assure you, Sir, and this Honourable House that I will certainly not take up 1 1/2 hours as the Honourable and Gallant Major Peliza has done, but I feel confident that I will be able to answer all his

questions as indeed I will be able to answer other questions that have been put before on the four ministries for which I hold responsibility. Let me begin by answering the Honourable and Gallant Major Peliza and the Honourable and Learned Mr Andrew Haynes on the questions regarding the publication of the Housing Waiting List. I will put it to the Honourable and Gallant Major Peliza that the reasons why the Government does not publish it is not a financial one, it is exactly the same reason why Miss Conchita Anes, Mr Maurice Xiberras and Mr Caruana failed to do so during the 1969-72 administration, when three Ministers, particularly one, promised the electorate that it would be done and failed to do so. The reason is not one of finance at all it is one of carrying out a laborious task which will give no one at all an indication of their position, purely because the pointage system fluctuates day by day. Not week by week or month by month but day by day. And to keep the list in a sensible exposition of ones situation it would have to be a daily upgrading of all the list, and that would be a practical impossibility. I will give way.

MR SPEAKER:

I must warn members. We are not going to have interruptions every five minutes. I will not allow it. Because otherwise we defeat the object of the debate. So perhaps you will constrain yourself to those interruptions that you consider to be important.

HON MAJOR R J PELIZA:

Yes, Sir. The reason why I stood up is because the people are very concerned, not just in this House but outside as well and it leads to all sorts of rumour. This is why I think it is in the interest of the Minister to do it. What I say is that I know it fluctuates but surely it is not necessary to announce the list every day, you may announce it every month, or every week.

HON H J ZAMMITT:

Mr Speaker, I think I fail to convince the Honourable Member that even when it is month by month you still cannot do it because if an individual, by way of example, Sir, if I may demonstrate, if an individual has for

arguments sake, say, 700 at the end of April, there is nothing to say that on the 1st of May the person who had 500 points will now be No. 1 because either the family had had twins, the waiting time has increased and, therefore, Mr Speaker, whether you do it month by month, or day by day, it does not give a true reflection. In fact it would be quite damaging for somebody to find himself at the top of the list for say one day and then find himself seventh the following day. Be that as it may, Mr Speaker, I was going on to say and I hope members will agree, that it is a practical impossibility. It is not a financial impossibility, it is a working impossibility. But of course Mr Speaker where there is conflict in the mind of the Honourable and Learned Mr Haynes is that he appears to want a housing list published but yet expects Government to give priority to those homeless cases. Government cannot, I repeat, cannot be expected to give advantage to any person who comes from outside Gibraltar and renders himself homeless over the people who have been patiently waiting in Gibraltar for accommodation. I know it is not nice to see people doing this but we have an awful lot of instances, and may I say to the Gallant and Hon Major Peliza, I have already received three telephone calls from people living in Brixton who because of the problems there would like to come back and settle in Gibraltar because they have been away for forty years. Their argument is that as they haven't molested Government for the last 40 years they should have the advantage over those people who have been bothering Government over the last forty years.

I would like to say, Mr Speaker, that in going through the Departments that I am responsible for, the Hon Major Peliza particularly, says that the hotels cannot survive unless the water is subsidised and that I or Government has made a U-turn because of the announcement made by the Hon and Learned the Chief Minister of the 16% increase in water charges. I would like to tell the Hon and Gallant Major Peliza that if he is under the impression that the hotels in Gibraltar cannot survive on account not only of the water charges, but of municipal charges, then of course he is completely wrong. Because the total amount of the municipal charges represents 1% of the cost to the hotels. In meetings with the Hotel Association, if we were to subsidise all the municipal charges it would mean something like a 1% reduction to their charges.

HON P J ISCLA:

If the Hon Minister will give way. Has not a statement been made by the Hotel Association indicating a much higher percentage in municipal charges? Is it that they dispute it or they agreed with it? A public statement was made if I recall giving a much higher percentage for municipal charges as far as the hotels were concerned.

HON H J ZAMMITT:

The charges are 10% but in real terms the return that it gives back in the question of a reduction in hotel charges would be 1%. Their municipal charges is 10%, the cost. Mr Speaker, there is no U-turn, I assure you, and I assure the Hon and Gallant Major Peliza. What we are saying, and if the Hon Member cares to read the address of the Hon and Learned the Chief Minister, it is that the 10% increase in water rates will be softened off for this year so as to help the hotel industry. It is the increase, it is not a subsidy of what the water rate was, it is what is is going to be, in an endeavour to try and make them see that there is certainly goodwill on Government side. But, Mr Speaker, one thing the Hon and Learned Member did say was that what the hotels complain about is the high cost of wages that they have to pay, and although parity brought so much wealth to Gibraltar there is one sector where parity has affected them, and they say they cannot compete with surrounding tourist resorts on account of the wages. I was very surprised to see the Hon and Gallant Member saying that, obviously Defence is the main spender in Gibraltar I think it is 60 and 40 on tourism, but I was expecting him to have said that Government's aim should be to articulate our 40% on to the 60% of MOD spending. That would be the ideal way of improving Gibraltar's economy, by being more reliant on tourism than on defence. Because as the Hon Member knows very well that although we very much welcome Defence spending there could well be, I hope it does never occur, a day when Gibraltar may not be as attractive to Defence spending as it is today. So if anything we have to try and articulate that, and I commend my colleague Mr Abraham Serfaty for having tried to do that for many, many years.

Mr Speaker, on the question of the seminar, I can assure the Honorable Member that it was a most successful seminar and I was instrumental in bringing that to

Gibraltar, purely because during my trade promotion attendance in England in February I received an enormous amount of complaints about the end product of Gibraltar, some of which I could not defend despite the fact I did my utmost. It was then that I decided that I could do no better than to bring the people who were being criticised by the tourist industry in Gibraltar to bring the experts out to Gibraltar to explain what they were doing for their benefit. We had our advertising agents, our public relations people and everybody concerned, or at least a representative of every association concerned with the tourist industry in Gibraltar. It was extremely good and common sense prevailed and some very important and interesting arguments came up. Let me assure the Hon and Gallant Major Peliza that the contribution that Government makes to the tourist industry is possibly the highest in proportion to the amount of tourists we receive and it can never have any comparison with what we spend on advertising between Guernsey and Jersey that receive over two million tourists per annum. So, therefore, pro rata, I think we must be the highest spender. If we are talking on 100,000 tourists a year and we are spending over £.5m. we are really in essence saying that we are contributing something like £5 per tourist coming to Gibraltar. I am not putting that as an argument that we should not try to develop that. Mr Speaker, the seminar came out with some very intelligent suggestions, but some of them of course which the Hon Member, I don't know if he was reading from the report that came out of that or he has been given information about what was discussed, there were some things which the Government is going to consider. I have already sent a circular to all Ministers to keep them abreast with what the seminar came up with. I think that when the advertising agents and the public relations people made an exposition of what they are doing for Gibraltar those who criticised what was being done were left in little doubt that we are not getting a very bad return for what we are eventually receiving. In fact our advertising agents do tremendous work and so do our public relations. I will not go into details on that, Mr Speaker, because it will be far too laborious. Can we carry out all the recommendations? Well, Mr Speaker, the answer is, no. We certainly cannot. There are some requests there that I do not think this Government or any other Government could totally accept. We will certainly look at some of them and in fact some have been considered. We cannot rely, Mr Speaker, on the old four 's' which is known in the tourist world as sand, sea, sun and sex. That is what is advertised, Mr Speaker, by many tourist resorts and

sun is not just for Gibraltar. When the Hon and Gallant Major Peliza mentioned the question of weather, it is not one that we can play on all that much now, there are other places that afford that. What I would like Members to realize is, and as the Hon Financial and Development Secretary mentioned, the tourist trend has not been all that dramatic despite the fact of the recession in Britain, the strength of the pound, we have still been able to maintain, certainly compared over the last five years, excluding 1979 which was a boom year, we have been able to maintain most of the repeat traffic that comes to Gibraltar year after year and are our greatest supporters. In that we have succeeded and there are many other places in the world including Spain that have suffered a much greater, including Spain with the value of the pound at nearly 200 pesetas, they have suffered a greater blow than we have here.

The Hon and Gallant Major Peliza mentioned that the seminar wanted the public relations money doubled. I am sure the agency would like the money doubled because obviously the more money they get the better off they are. We have to buy time and we have to find out the fine balance of what Gibraltar can afford in public relations and in advertising in relation to time and purchase, and, therefore, Mr Speaker, although we have increased the advertising vote by £50,000 I see the Hon and Gallant Major Peliza isn't at all satisfied and apparently he would like us to increase that even more. But to show the inconsistency of the Opposition, and this is where I say that I cannot expect the Hon and Gallant Major Peliza to do his homework during his short and brief spells in Gibraltar, if only he was to do his homework he would find out the inconsistency, and I am referring now, Sir, to last year's Budget, page 413, where the Hon and Learned Mr Peter Isola says "I just wonder whether so much advertising out of public funds is now justified". Here we have someone saying we should be spending more money and another Member, their Leader, saying we should not spend more money out of public funds in advertising. It is lamentable, Mr Speaker, that this is so, because the Hon Mr Isola said in the same page "It is no longer a situation of one or two, there are a number of them and I am just wondering whether the advertising and field sales amounting to £150,000 is wholly justified in the situation of tourism as it has developed in Gibraltar". This was being said, Mr Speaker, because we were doing so well that we should not spend the money. This is where I find the conflict.

HON MAJOR R J PELIZA:

It is justified. We are not doing so well now so we have to spend the money on it.

HON H J ZAMMITT:

Mr Speaker, then the Hon Member still hasn't done his homework, because we haven't done so badly if you care to read what the Financial and Development Secretary said. We have not done that badly. What we are increasing, Mr Speaker, is to keep up with the cost of advertising otherwise we have to buy smaller space. But one sees that there is certainly no consistency at all in the arguments placed on that.

I cannot give him a breakdown, Mr Speaker, of the £200,000 because again next week I will be having the advertising agents coming to Gibraltar where we will be focussing our expenditure for this year.

Mr Speaker, before I forget, I would just like to take up the Hon Major Peliza on one thing regarding the Development Programme and touching on Buena Vista Cottage; the high density and the low density. The Hon Member may not be aware that that property went out to private tender it was obtained and the construction of nine flats will take place in that area. Talking of high and low density the Hon Member will agree that nine flats there is a much higher density than when he lived there with one flat and one family occupying all that area. Possibly, he may have thought, if he things as he does today, he may have thought of asking his Housing Minister to have decanted him into a three or four roomed flat and, therefore, made that land available for nine flats as this Government is doing today. Therefore, Mr Speaker, I do not think that he can say that we are not adding to the density by nine flats where one existed before.

HON MAJOR R J PELIZA:

I think he is making this very personal and is completely going off the tangent. First of all, Mr Speaker, that was a Government Quarter that was given to me whilst I was in the Army. It was in a very derelict situation. In fact I remember Col Hoare saying you have got to get out of here sooner or later, it is in a terrible state. I would have loved to have gone out of that place much sooner than

eventually I did. That was absolutely derelict, irreparable. If I was there it was purely coincidental because possibly it was the worst quarter available and they gave it to me. If they can put 20 or 30 houses there all the better. It has nothing to do with me whatsoever. I think it is absolutely ridiculous for the Minister to produce this argument.

HON H J ZAMMITT:

Well if the house was in such a derelict situation he should have asked to be decanted during his time in Government. Anyway, the other absolute caboodle that the Hon Member talks about is the selling of houses and people to be allowed to dispose of them as they wish. That is absolute rubbish, Mr Speaker. One of the problems that we have here is that if we are going to allow people to sell the flats as they please then the Gibraltarians will never get a house. The Gibraltarians will be sold out completely and then we will have to rehouse them at public expense or go over to Spain and live there. So we have to be very careful about the conditions of selling houses at people's will. More so, Mr Speaker, as has been said here time and again, the price structure of the houses were quite cheap and it would not have been difficult to have found outsiders to have purchased those houses at a much higher cost, and, therefore, the Gibraltarian identity could very quickly be absorbed.

Mr Speaker, I would like to take the Hon Member up on the question of the London Office. I cannot agree, under any circumstances, that the London Office should be our political "Embassy", in Britain. The London Office is there to serve the tourist, the tour operators and the travel agents as best they can from that end, and I cannot agree because no other National Tourist Office has its headquarters other than in the feet of Government where the end product is a result. It would be stupid to think that Spain is going to have its head office, or a greater amount of people in the tourist office say in San Francisco than in Spain. I know what the Honourable Member is trying to get at, but as long as I am acting Minister for Tourism, and I think as long as this Government is in power, we will keep the Gibraltar Tourist Office at the end of the product. It is here that people complain, it is here that people can come forward with suggestions. It is ridiculous to say that we should augment the staff at the London Tourist Office and decrease it here. And I would also tell the Honourable and Gallant Major Peliza that we do have a salesman that

goes around tour operators and travel agents in Britain. And as the Honourable Members know the Minister attends trade promotions around England trying to meet all the travel agents and show Gibraltar films and try and tell them all to come here. But I will say Mr Speaker that no matter how many times we go over there unless there is good will at this end by the tourist industry to pull their socks up then it does not matter how many times the Minister goes or what we spend on advertising or what we spend in public relations, will have little effect on those people who feel dissatisfied at the kind of service they receive at this end. And I would tell the Honourable and Gallant Major Peliza, because I went on television during one of his short absences from Gibraltar, that the complaints I received for once I could not answer: such as being charged 75p for a glass of sherry. And that is when the hotels have to pull their socks up. Not when you convert that into pesetas and it becomes 150. Nowhere in Spain would you pay 150 pesetas for a glass of sherry. Certainly not in a hotel and that is.....

HON P J ISOLA:

What do you pay for a glass of whisky, in Spain?

HON H J ZAMMITT:

Mr Speaker, I think it is ridiculous if the Honourable Leader of the Opposition is going to defend that. If the Honourable Leader of the Opposition is going to defend that that is justified because they charge in Spain 200 pesetas for a whisky then I think it is absolutely wrong. It is absolutely wrong.

HON P J ISOLA:

If the Honourable Member will give way. What I am defending is the Gibraltar tourist industry against wrong comparisons with the Spanish tourist industry which works under much easier conditions with great government subsidies and very cheap charters. And if the Minister for Tourism cannot see that he shouldn't be doing that job. They work under very difficult conditions in Gibraltar.

HON H J ZAMMITT:

Mr Speaker, they may be working under very different conditions but I can tell the Honourable Member that there is absolutely no justification, whether he likes it or not, for the price structure particularly on alcoholic drinks in Gibraltar. There is no justification for the prices that tourists are being asked to pay.

Possibly if they reduce their prices they will find that the turnover will be greater. In fact, Mr Speaker, OSL who are dropping out of the Gibraltar run have been unable to continue because they have found a market elsewhere which can offer cheaper holidays. There is nothing we can do, Mr Speaker, and as I say, and I would like the Honourable and Learned the Leader of the Opposition to at least try and understand it, if we were to subsidise water totally, as well as electricity and every other charge it would mean a one per cent reduction in charges. And let us not just blame the airlines, because there are other airlines certainly within Europe that are a little bit more expensive than we are in Gibraltar. Mr Speaker, there is a trade promotion taking place in the Midlands during the middle of May which I hope to attend and we are doing this to try and attract more from the Manchester area because we feel and, so did the seminar feel, we should tap the Midlands a little bit more.

Mr Speaker, what I am really surprised at the Honourable and Gallant Major Peliza in his contribution is that he spoke absolutely nothing about the Post Office and Philately. It doesn't surprise me to a degree because he really doesn't know. In fact were it not for the fact that I know that he lives in Edgeware I would say he was living in Cuckoo land. I say that because if he can put a question to this House: "why don't we have stamp vending machines outside the Post Office," which has been there since I think 1946 or 1947, it just shows you how much he is aware of the Gibraltar situation. But I would say this, Mr Speaker, and I give great credit to my colleague Mr Isaac Abecasis for what he has done in the world of philately. Last year Mr Speaker we again did extremely well on philately and this year we hope to do even better. We have had the windfall of the Royal Wedding which will bring in some revenue and we shall also have something that will not give us any money, but I think members will agree with this, and that is the year of the handicapped where the total collection will go into the needs of the handicapped. But the Royal Wedding will give us certainly something to be grateful for. And I could also have stipulated, which is mentioned in the estimates,

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the question of our new definitive will be coming out early next year. Mr Speaker that is an important fact that some member, and indeed I think the Honourable and Gallant Major Peliza, should have mentioned and it is here, Mr Speaker, that I would like to make a brief announcement because at the moment in the Post Office there is a little industrial unrest. I would like to be able to give a commitment under Special Expenditure, Item 80, that we have made provisions for something like £1,800 for security drawer cabinets which the staff are quite concerned about and for which they are taking industrial action at this stage. This is a question that we shall have to examine. We have made that amount ready for it but we don't really know what the total cost will be. But there is a commitment that we will look at this and therefore I hope that the industrial action can be eased once we are able to announce that this Government is certainly concerned in bringing this thing to the fore. The other item, Sir, . . . . .

MR SPEAKER:

What kind of drawers are they talking about?

HON H J ZAMMITT:

Security cabinet drawers where money is deposited or items of value are deposited. They are in somewhat bad conditions. It affects both sections, male and female, Mr Speaker.

Mr Speaker, another item that I would like to bring forward for the information of members opposite is on page 103, item 6, where we have made provision for £120,000 for the construction of a vehicle testing shed which will enable Government to enforce something similar to the MOT test in UK. There has been a demand for that, Mr Speaker, because at the moment although public service vehicles are the only ones that are really examined the situation under which they are examined is not extremely good.

HON A J HAYNES:

Can the Minister say if the Ordinance will be amended at the time these facilities are made available?

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HON H J ZAMMITT:

Needless to say, Mr Speaker, that the Honourable and Learned Member will have to accept that there will certainly have to be some adjustment in the Traffic Ordinance to bring legislation into line with that sphere. Certainly for that side of requirement certainly there will have to be an adjustment.

HON A J HAYNES:

Mr Speaker, I have asked on numerous occasions in the House, with reference to the Ordinance, and I have been informed that it is under the process of revision. Is this the position or is it going to be revised.

HON H J ZAMMITT:

The Traffic Ordinance is generally being revised, but I thought the question was are we going to review the Traffic Ordinance in respect of the MOT. If one is going to implement an MOT, then of course the Ordinance will have to be updated. The question of the other law I think the Attorney-General will probably answer totally on what is being done on the Traffic Ordinance in total.

Now, Mr Speaker there is certainly no lack of confidence on my part with the tourist industry in fact I am possibly over-optimistic about the tourist trade, and as I mentioned, I think, at the last meeting of the House, Mr Speaker, there is an increase in bookings for this year, and this was brought about for a very logical reason, and that is that the high rates of interest being paid people are late bookers and hold on to their money until the last feasible day so as not to lose an interest rate before depositing. I know that the indications are that this summer will be a marked improvement on last summer, and I am delighted to be able to say that.

With regards, Mr Speaker, to the Honourable Mr Tony Loddo talking briefly on sport, I have not inflated the £12,500 grant to associations because of one reason. Not because they were naughty boys and we are going to punish them for being naughty boys, this Government is too big, too strong to have to act that way. This Government will make people realise through common sense that there

could be an advantage and there is an advantage to sportsmen if they are prepared to contribute as is done everywhere in the world, to contribute towards the running of the facilities that are afforded free of charge. And, therefore, Mr Speaker, it is not a question of punishing them for being naughty boys or naughty girls, it is that we want to assist further as we have done so ably over the last years and to encourage more sportsmen, more sporting facilities, and that is the way around it. And I take this advantage and opportunity of reporting to the House that in the Improvement and Development Fund the Government has made a token sum available for the construction of swimming pool at the Victoria Stadium.

Mr Speaker, I would like to remind the Honourable Mr Andrew Haynes, who referred to the estimates of Housing being £1.1m. and the question of staff available there being well able to do the list. I would like to remind him, if he looks at the establishment and salaries on page 37, that under the total amount of 32 only 19 of those work in the office and are clericals, the rest are maintenance wardens and others.

Mr Speaker, I don't think there is anything else I could add to this other than to say that I think we can look forward to a better year, certainly on tourism, and that although we have had a slight decline it isn't as bad as some countries that have lost 50% of tourism over the last 20 years. So long as we can keep the end product of Gibraltar reasonably good, so long as we can keep Gibraltar worthwhile coming to, then I think there is no fear at all as to the industry that we are dependant upon and I would remind the Honourable and Gallant Member that today 90% of our overnight stay comes from England and we will continue to press that market for an improvement on that. The other 10% comes from Morocco or through yachting and other. So, Mr Speaker, I think that the Tourist Office has done remarkably well in encouraging tourism taking into account the depression that has been going on in Britain, taking into account the cheapies that has been offered to the states - yes they are called cheapies, Mr Speaker - they give away, even cash give aways, two seats for the price of one to the States and even to the Far East, and I think we have been able to maintain at least the number that we have been able to acquire over the years mainly on account of repeat people who are loyal, who come to Gibraltar year in year out. And I would ask the hotel industry to try and help. It cannot all be Government. There must be some advertising, there must be some brochures, there must be something

produced by those who are drawing out of and benefitting from this. It cannot just be Government spending all the money for the industry.

Mr Speaker, Sir, with those words I hope that I have been able to answer the Honourable and Gallant Major Peliza on the few questions he posed on tourism, that I have been able to give a brief summary of the situation. And I feel, Mr Speaker, that there is nothing we can do to expand on the tourist trade unless there is a concerted effort by all, not just Mr Taxpayer. Everybody must contribute to the wellbeing or the further expansion of the tourist trade.

Mr Speaker, it is no good saying that some people can sit back and expect Government to do the advertising bring the tourists here without them putting their house in order. And it is that that the seminar brought out very loud and clear: that it is a concerted effort by all of us in this competitive world of tourism that can survive. Without that no matter what we call it, advertising, public relations, or anything else, nothing will succeed nothing, will be successful. Mr Speaker, no doubt I will have a chance later on when there are further questions asked in the House by . . . .

HON P J ISOLA:

Will the Minister give way. Last year he said something about the proposed Victoria Stadium charges which he has not done this year. I notice in the estimates for revenue that he is providing for a third less than last year. Is there a change in policy or can the Minister possibly say something before he sits down.

HON H J ZAMMITT:

Mr Speaker, I thought that no doubt during the committee stage we will be having questions on the items. Yes, Mr Speaker, Government does intend to have an admission fee. There is no change in policy whatever. The reasons for holding back on the admission fee or charges should I say, Mr Speaker, is that there isn't a total consensus yet as to whether it should be a membership fee, admission charges or a charge on an hourly basis. But Government will be introducing during the course of the year an admission charge to the Victoria Stadium. I have not gone into item by item because I have four ministries and therefore I would be much longer than 20 minutes Mr Speaker, Mr Speaker, I hope I will be given further opportunity for explaining increases

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and decreases in the Estimates as they come forth.

Thank you Sir.

HON P J ISOLA:

Mr Speaker, if I may interrupt before the Minister finishes. In fact I think he mentioned that there was a token vote this year for a swimming pool under the Improvement and Development Fund under this year's estimates. I haven't been able to find it.

HON M K FEATHERSTONE:

I think I should answer that. There is some \$200,000-odd which are going to be on Government works etc, and it is among the lot.

MR SPEAKER:

Perhaps you might deal with that at committee stage.

HON M K FEATHERSTONE:

Yes, Sir.

MR SPEAKER:

Before I call on the Chief Minister to exercise his rights to reply and then the Financial Secretary, the other members, Mr Bossano and the Honourable the Leader of the Opposition, might wish to address the House now.

HON P J ISOLA:

Mr Speaker, in the few minutes that I have got before we adjourn perhaps it would be appropriate for me to talk by way of introduction a little on the budget procedures as they have evolved over the last three years and I refer to two aspects of this, Mr Speaker, which I think we should

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invite the Standing Rules Committee of the House to consider. For good reason some two or three years ago we agreed . . . . .

MR SPEAKER:

May I perhaps at this stage, since we are talking of the Standing Rules Committee, I think I am right in saying that the Hon Chief Minister in his address to the House on the Official Opening of this House did refer to the fact that the Standing Orders and Rules of the House required amending. May I also remind the House that some few years ago I took the trouble of visiting the Overseas Office of the House of Commons and I produced an amended form of new Standing Orders and Rules which are now before the Rules Committee. May I further remind the House that I am not a member of the Rules Committee, the Rules Committee is most certainly asked to meet through the auspices of the Speaker. If any member wishes to hold a meeting the procedure is to draw attention of the Speaker to the fact that it should be. I say this because I feel perhaps that now is the appropriate time for the Chief Minister and the Leader of the Opposition to get together and instigate meetings of the Rules Committee to provide for any future amendments.

HON CHIEF MINISTER:

I would like to restate a little what I said at the opening and what has or has not happened, and that is that those Rules that you, Mr Speaker, produced and which were looked at, and some of them were in printed form and came to the stage of proof form, have been reproduced in working papers which are being looked into in my office, in my Department. Unfortunately, for a number of reasons we all know there have been other pressures on those who have to look at them but they have indeed been looked at and some of them have been referred to the Attorney-General and have come back and perhaps I may be in a position later on this year to have a reasonably good working draft which we could go on with. It is no use meeting in vacuum, you must have something on which to work. The progress should perhaps be better than it has been because of other pressures in the office but we do have a working set of rules which I will now try and clear a little quicker and certainly long before the next Budget Session. There are many other matters. The Leader of the Opposition was going to speak about the budgetary rules but there are many other matters with which the evolution of time require looking into. May I also say that one other thing I have in mind is also to

some extent limiting the time that people could be standing up and speak in a particular debate.

HON P J ISOLA:

I mention it here in the Budget context because I think events over the years show some need for this.

As I said, Mr Speaker, I think it was two or three years ago the Opposition agreed that contrary to then existing rules of debate, and I think quite properly, the Chief Minister should be able to open the debate on both bills, on the Budget following the Financial and Development Secretary and then sum up for the Government, which I think by and large has worked well because we have heard his exposure on behalf of the Government and then summing up and answering the queries throughout the House. And I think, Mr Speaker, as I listen to debate year in and year out I think there is a need to amend the rules so as to allow the Leader of the Opposition to do the same thing. The reason why I say this is that we believe that the Leader of the Opposition, as he can only speak once, we believe he has got more to contribute summing up for the Opposition than opening. But as a result of that belief we get into a situation where, although the Opposition spokesmen are speaking ahead of Government Ministers, we get into a position which is not necessarily a satisfactory one, that Opposition Members are giving their views before the relevant Minister has said what he hopes to do for his Department during that year. I don't think it is necessary in every case, but I think that the procedure by starting doing it this way produces the situation where in most cases Ministers are answering the Opposition instead of the Opposition taking up the Minister. I think that the Rules Committee should consider the desirability of allowing the Leader of the Opposition two bites at the cherry: opening up for the Opposition and then closing on behalf of the Opposition. The practical matter of my Hon Friend Mr Bossano, who does not subscribe to the rest of the Opposition, I don't think need cause us any particular worry because all I am concerned with is summing up for the Opposition. If it is the wish of Mr Bossano to stay sitting until I have spoken every year, well as far as I am concerned that practice can continue because it becomes more and more irrelevant in the context of party politics.

The other point I would like to make which I think the Rules Committee should consider is having a recess

of an hour after the opening of the budgetary debate. The reason why I say this again is because the principles on which the budget has been delivered has also been evolving since the Chief Minister has been given by the Standing Rules Committee of the House two bites at the cherry. And I think it has been evolving the right way, because the Financial and Development Secretary has given his budgetary exposition of the state of the economy and the Chief Minister now every year rather more than previous years possibly has been connecting with Government fiscal policy and Government financial policy for the following year. I think this is a good thing because it gives an indication to the House at an early stage how the Government is thinking. I would not like to stop that practice: I think it should evolve and it should continue, but I think that because it is like that the Opposition then has rather more to consider than just an exposition of the Estimates. It has to consider how the Government intends to develop their policy in relation to those Estimates and I think it desirable that we should have a recess in those circumstances to enable the Opposition to collect their thoughts on what has been said and proceed to more profitable possibly and more - possibly I should not say that - shorter debate..

There are other matters in relation to the Standing Rules Committee which arise actually on what my Honourable and Gallant Friend Major Peliza said in relation to the broadcasting of the proceedings of the House, and before the Chief Minister says it I must tell my Hon and Gallant Friend that the sub-Committee in the House is in fact awaiting proposals from the Opposition on what they think should be done on broadcasting. They will be getting those shortly but again I think the proposals that we are going to suggest on broadcasting will also require amendment of the Standing Orders of the House especially as to procedure.

Mr Speaker, having employed my eight minutes or so in dealing with that very preliminary matter perhaps you might like to recess now.

MR SPEAKER:

I will recess now until 1.45 p.m. when we shall resume the debate.

The House recessed at 12 noon.

The House resumed at 1.50 p.m.

HON P J ISOLA:

Mr Speaker, when we adjourned I was talking about procedures. Now I shall proceed to talk about the subject I would like to talk about, and that is of course the Estimates of Revenue and Expenditure as put forward so capably by the Hon Financial and Development Secretary and the statement of the Chief Minister on the matter.

Let me say, Mr Speaker, that only last week in a television political party broadcast we pointed out the role of the Opposition as we saw it as a political party. A lot of harsh things have been said about the way this side of the House approaches its role and its responsibilities in opposition. One thing cannot be denied and that is that what we say on this side of the House one year is usually done the following year by the Government. What we advocate on this side of the House, sooner or later, is done or at least has its effects. And in doing that the Opposition is carrying out a very important role for the community. And if I may for one moment digress, I shall say a lot more about it, on the question of the Improvement and Development Fund. For eight years, year in, year out, the Opposition have been attacking the Government on its poor performance in development, and the Opposition made a very big attack during the General Election campaign on this particular point, the effect it had on the economy and on the people of Gibraltar generally. And I am very happy, as I said in the Budget last year, to see that for the first time in eight years of GLP/AMCR Government the Improvement and Development Fund has spent more or less what the Minister said they would spend during the year under review. Of course, the Minister for Economic Development when speaking on this did not refer to other parts of my speech in relation to the Improvement and Development Fund and the concern that I expressed then, and that was that even though the £10m would be spent the Government had fallen so far behind in performance that they would still need another £13m in order to complete the Development Programme that was due to be completed on 31 March 1981. But that is just an example, Mr Speaker, of constant opposition, call it bickering if you wish, call it diatribe if you wish, but constant Opposition pressure on poor performance eventually has had its result. So although I am pleased, as I said last year in the Budget, that the thing has been done, and I congratulate to that extent the Minister, I congratulate equally the Opposition over the years who have doggedly pressed the

Government to improve its performance in Development. And at last I think the Government has taken the warning and the attacks of the Opposition on these points seriously. As a result Gibraltar has commenced to benefit from it and will benefit from it especially if the pace is kept up. The only thing the Government has to do now is to catch up with the next Development Programme, in which they are already a year behind, or they will be a year behind by the end of the current year. But I will deal, Mr Speaker, on development later on in general terms in my contribution.

Mr Speaker, last year on this side of the House, as indeed the year before, we complained of the harshness of the budgetary measures that the Government was taking, and as we all know the justification on the part of the Government for these measures was that the economy had to be put right and that there had to be what was referred to by my Honourable and Gallant Friend Major Peliza, a prudent surplus, and that the measures, and I go back to last year, Mr Speaker, because there is not much point going back to 1979, we were told that this was the sensible thing to aim for, a surplus of £5.6m. On this side of the House, and I think to a certain extent accepting the philosophy put forward by my Hon and Gallant Friend, that the duty of Government is not just to tax and tax and tax to build up reserves that it does not require, and to put forward what my Hon and Learned Friend Mr Haynes said in his opening, the object of taxation is not to make the Government wealthy but to redistribute income and to make the population or the country as a whole wealthy. Consonant with that theme we urged the Government last year to give some of the money back to the people because we said: you are going to have a much higher surplus from your excessive budgetary measures than you yourself are saying. In fact, Mr Speaker, I was so bold as to put a figure to it. I said: with these measures you will have a surplus of between £8m and £9m. And at that time, Mr Speaker, we did not know that the Government was going to hand over the running of the Dockyard Police to the MOD, that has cost us £650,000 in a year; we did not know at that time that the Government was going to spend another £1m. in the disastrous Varyl Segg settlement. Despite that, Mr Speaker, the Government has come out with a surplus of £8.6m. in the Consolidated Fund Balance as at 31 March 1981. If they had not for example taken the question of the opening of the frontier too seriously they would have had a higher contribution from the Admiralty this year in regard to the Police Force; and if the Government revenues....

HON A J CANEPA:

Who is "they", Mr Speaker.

HON P J ISOLA:

Government.

HON A J CANEPA:

Who is 'they'. If who had not taken seriously the opening of the frontier. The Government? The Minister sitting here or somebody else?

HON P J ISOLA:

Well, maybe somebody else, I don't know. It is very secret, we never know who is responsible for anything.

HON A J CANEPA:

The Honourable Member does know because he has asked previously in the House and the Honourable the Chief Minister has answered that question fully. He does know what the position is regarding the Police, or he should know.

HON P J ISOLA:

Well, Mr Speaker, as I said, if the Government which votes the money and provides the money and gives the Estimates hasn't approved, I did not know what they did or did not do, the question of police there would have been another £150,000. And of course if the Government had stood by the pledges - and that is far more serious - they gave from year to year in this House that with regard to the Varyl Segg Estate disaster, if there was one thing that was not going to happen was that the Gibraltar taxpayer was not going to pay to put right what others had been responsible for. And within two or three months they settled and paid £1m. out so far. Despite all that, Mr Speaker, the budget measures taken at the last budget were so severe and so strong, they were not modest budget measures, that the revenues have produced a surplus of £8.6m. according to Revised Estimates of Revenue.

Maybe it goes a bit further up when all the books are drawn up at the end of the financial year. Mr Speaker, that proves the point made by my Party in the last Budget that the Government should have given more relief for income tax allowances. They could have done it easily. It would have cost them no more than the Varyl Segg disaster. People would have been that much better off in Gibraltar, they would have had that much more relief that they are entitled to. The job of Government is not to squeeze people till they are absolutely dry. The job of Government is to have an equitable system of taxation and to take sufficient money in one way or another from the public to be able to carry out its responsibility to the public. And I do not see why if the Government thought in March 1980 that £5.6m. was the sort of surplus to aim at, and the prudence of a surplus, why now are we told it should have been £8.6m. Because if the Government thinks they should have had £8.6m. today then they should have had still sterner measures in 1980/81. They are never wrong, Mr Speaker, they budget for two or three weeks working reserves and when they get two months worth as a result of the severe tax measures of 1979, they then say we have to tax still more because now we want more money and more money. And the result of course from the point of view of the general public in Gibraltar is that they have had to pay heavily for it. I know the Government or the Chief Minister does not like to be reminded of U-turns, and I think my Hon and Gallant Friend Major Peliza referred to the U-turn by the Minister for Sport on the question of water; that last year the Government was saying that there was no reason why the hotel industry should be subsidised in any way. Last year, when they were having their worst year, they decided then to stop the subsidy; this year it seems to have been put back again despite what was said on that side of the House on the matter. I don't object to it being put back again, we do not object to sensible policies when they are justified, because when the Government and in fact the Hon Mr Bossano mentioned subsidies to the private sector, I do not think that the Government gives a subsidy to the hotel industry just to keep the proprietors of the hotel in good funds. The reason they do it I presume is because of the general need of the economy and the general needs of employment in the private sector. Because between the Government and the Ministry of Defence they cannot absorb the total labour force of Gibraltar, and it is the private sector, in my view, that requires very special watching by the Government. Because as far as the public sector is concerned if the Government needs more money for wages or salaries it has a little tap that it opens and out comes the money from taxation; but in the private sector if they have to pay higher wages or higher salaries, the tap

doesn't always open as much as people would like to see it open. That is why last year we asked, give them in employment in the private sector a little more of their money back. They do not have index-linked pensions, they do not have all the other benefits that employees in the public sector have, and which we would like the private sector employees to have but they do not have it in the private sector. Gives them some relief. And all we asked for, Mr Speaker, was that the personal allowances should be doubled, instead of £100 the Government should give them £200. It was a very modest request on the part of the Opposition, it was not an irresponsible request: but the reply was, the Government cannot afford it, the Country can't afford it, you are just playing politics. It was not that and the results have shown it.

We argued in favour, and we said: and please do it because you have got the money, Gibraltar Government, and you said, no. We must have this prudent balance of £5.6m., they used up quite a lot of the Government's revenues on matters with which we do not totally agree, but they still have a surplus of £8.6m. And because, Mr Speaker, they have that surplus the Government is going to do this year what we asked them to do last year, in more ways than one. And here we come to the next U-turn of the Government.

The Chief Minister said in his address on the question of the Funded Services: he said: "that following parity I made it clear," I am referring to para 16 of his prepared statement, he said "I made it clear that whilst substantial subsidies could be justified before parity these could not be justified thereafter. With the introduction of parity it was generally accepted that charges had to increase. This is one of the main areas in which the consistency of Government policy is to be seen." I was going to say, Mr Speaker, and I would say that that was the last main area in which Government was being consistent, but here this year the Government has done a U-turn as well. A complete U-turn. In fact the Government has done this year in the Funded Services what we asked them to do last year. We said, alright, if you are not going to give personal allowances don't increase electricity or water charges or telephone charges: this is what we asked last year, this is what they are going to do this year. Because however it is dressed up, whether it is by passing it on to next year or paying a contribution from the Consolidated Fund or waiting for the ISO before they get their money back on the deficit on the telephone account, however it is put by the Government, the net result is that there are to be no increases in charges for electricity, there are to be no

increases in charges for telephones, even though there are substantial deficits, and in electricity of course the deficit is quite large, and there is to be only an 18% increase in water, which is going to cover only a very small part of the expected deficit. An 18% increase in water for some but not for all, the hotels are to be exempted for one year from that 18% increase.

Mr Speaker, we agree with this, that in a very healthy economy as we have now, and because the Government has treated electricity payers so badly during the year because they have not been able to maintain a continuous power supply to the consumers, and because the consumers have been overcharged during the last year, because of all that we agree with the U-turn of the Government. But it is still a U-turn. And we are glad they have made a U-turn, but it is a U-turn. So, I was talking.....

HON. M. K. FEATHERSTONE:

Could the Hon Member explain where anybody has been overcharged on electricity? Surely they pay for the units they use.

HON. P. J. ISOLA:

Mr Speaker, I have heard this argument. The trouble is that the charge that is being made per unit is excessive, and this is brought about, in our view, through the inefficient handling of the Generating Station. That is why we asked for a public inquiry which we have not got. That is why we complained that the Government by not carrying out the recommendations of the Preece, Cardew and Rider Report had left machinery working, which was expensive, that was in the Old King's Bastion, for longer than was necessary, and so forth. All that, Mr Speaker, has resulted in higher electricity charges. The consumer has had to pay. That is why we say that electricity charges are excessive, that is why we say people have been overcharged, because if the electricity situation had been handled properly, not now but since the Preece Cardew and Rider Report, who knows? The production of electricity per unit might have been cheaper. We don't know, and we cannot tell, because all we can tell is what the Government tells us from time to time. If the Government were to give us the Preece Cardew and Rider Report we would be able to see what people in the know are saying, we might make a different judgement. At the moment that is our judgement, Mr Speaker, and our

judgement we believe is shared by the great majority of the people of Gibraltar, and that is why the Government has agreed not to put up its charges any more and has agreed to carry \$655,200 deficit on electricity. I am glad they have and we agree with that, Mr Speaker. But what I disagree with and object to is the criticism that is levelled by Government Ministers and their newspaper at Opposition members that all they are doing is criticising, they are not saying anything constructive. The Government is now doing what we asked that they should do last year and we look forward to seeing the proposals of the Government with regard to income tax. It may well not be enough, because now the Government are telling us that next year \$10m. is a prudent surplus. So if what the Government is going to do is to give us income tax relief with one hand and then shove up a lot of other taxation to make up for it so that they can have \$10m. next year, I will predict that next year we will have \$14m. And then next year we will be told \$14m. is the right amount to have and then we shall get \$20m. the next year. And so the Government will work on the process....

HON. A. J. CANEPA:

If the Hon Member will give way. Does he not accept that in a situation in which the size of the budget is increasing inexorably year after year by about 20% from one year to another, that the reserves must also keep pace and that the reserves must bear roughly the same proportion? Otherwise we find the Government going back to the situation that we had in 1979? Does he not accept that proposition?

HON. P. J. ISOLA:

Mr Speaker, I give way and I listen to it and it rather upsets the tone of what I was thinking, but I will reply to the Hon Member. The Government found itself in 1979 the way it found itself because they didn't themselves do their homework properly. That is one answer to 1979. That was this Government and I hope they are not blaming us for it. The second one is what the level of reserves should be. Of course there should be a reasonable level of reserves but what I am saying is that one year the Government says in 1980/81 the reasonable reserve is \$5.6m. and we say you are going to have \$9m.; the Government says no and it finds itself

with 29m., and the next year they will not have 29m., which is what presumably they would have aimed for this year if they had only had 25.6m., they now aim for more than 210m. They want to be ahead all the time. If a reasonable level of reserves in 1980/81 was 25m., and that is what the Government says and we only have their word for it, how can it now be said that a reasonable level is 20.2m? This is the point I am trying to make. And the point I am trying to make is that the Government have over-taxed the people of Gibraltar in one way or another and there is no way of getting round it, because if the Government says on March 31st 1980 that we should aim for 25.6m. which is a prudent reserve and they get 28.5m. the Government have over-taxed, especially with the Voryl Seeg disaster thrown in with 21m. just put aside or whatever. What we are saying is, and we told the Government last year and we put figures to it, is that the taxation measures were unreasonably heavy and that is why we voted against increased charges in the Funded Services and we were labelled irresponsible for it, and this year the Government does exactly that because it finds itself with the reserves that we told them last year they would have as a result of their budgetary measures and their indirect taxation. That is, Mr Speaker, the point I wished to make, that the Opposition are and have been behaving responsibly. If our attitude last year on the question of the Funded Services can be labelled irresponsible then by the same token the attitude of the Government this year to the Funded Services can be labelled irresponsible, but we do not label them irresponsible. We think that there has to be quite an element of subsidy in the Funded Services because the production of the particular services seem to cost us an awful lot of money.

Mr Speaker, in my budgetary speech last year I also did say, when I predicted a surplus of 28m/29m, I did say that that might well put the Government in an uncomfortable position when going to London for Development Aid. In fact that has been echoed by my Honourable and Learned Friend Mr Haynes in the close of his contribution on the Budget. I think that is a factor that the Government ought to consider because if the Gibraltar Government situation is healthy, or appears to be healthy to somebody who looks at the Estimates of Revenue and Expenditure, then it can be argued that the pledge of "sustain and support" has not got to be applied as strongly as if Gibraltar was in the 1979 position. I am not saying that the British Government is not going to sustain and support Gibraltar. I do not believe that will occur. I believe there is honour in the British Government and they will maintain their pledges but sustain and support means sustain and support, it does not mean

more than that. The heavy taxation that was imposed last year has produced a false picture, or might have produced a false picture as to the true budgetary situation of Gibraltar, because it has produced figures, we are told, and may be the Hon Mr Jossano may be able to say something in his contribution, showing that our level of taxation is about 10% higher, we have been told by the Chief Minister, than in England. That is not bad going is it? Mr Speaker, considering we only started taxing people about twenty years ago. To out-strip the most heavily taxed country in Europe, England was until last year when Mrs Thatcher's Government came into power, and I said last year that following the Budget measures we had become the most heavily taxed country in Europe, and this is borne out by the acceptance and realisation by the Government that this is so and they are going to go away from the main area in which they have been consistent. And in move from that consistency and go into the role of inconsistency with their own policy in contributing to the Funded Services and not putting up charges to make them self-sufficient this year. That, to my mind is an admission by the Government that they were wrong last year, and I think it is the fruition of proper Opposition policy of pointing out through argument, through protest, through television broadcasts, that we are over-taxed. At last the Government accepts that and we look very much forward to seeing the sort of relief that the people of Gibraltar are going to get.

Mr Speaker, from here, and this I suppose must have some bearing on the budgetary measures the Government propose to make, I would like to digress for one moment on what I thought was a very important observation made by the Financial and Development Secretary in his contribution, and I would like to say something on it. He said at page 2, when talking of earnings and the increased earnings of Gibraltarians in the year by around 5%, he made a very significant statement. He said: "The differential between the two sectors, that is the private and public sector, in October 1980 for weekly-paid employees was 15% whilst that for monthly-paid employees widened during the year between 30% and 40%." Mr Speaker, that is quite alarming. I looked back on other budgets and I found that last year the differentials was 10% on weekly-paid employees and 25% on monthly-paid employees, that was the differential. And in October 1978, and I think it is interesting to note that, the differential was 45%. I presume that was as a result of the implementation of parity in 1977 or 1978. Obviously there was a much wider differential and then the gap was narrowed during 1979, but during 1980, and it seems to me that that is an indicator on the economy as well, during 1980 the gap is widening again. We find the weekly-paid is 15% instead of 10% and the monthly-paid 30% and 40%. Mr Speaker, that to me is a very worrying thing and it should be a very worrying thing for

the Government.

HON A J CANEPA:

If the Hon Member will give way. The reason for that is rather simple. The 1979 wage and salary awards in UK were staged. A number of them carried over into 1980 and, therefore, in 1980 not only did you have the normal wage and salary settlement due then, but you also had the second or third stage of deferred awards from the previous year and they all come together. For instance, that I remember happened in the case of schoolteachers: they got an award in July 1980 and they got the second stage of the 1979 award paid in September 1980 when all of these awards then reflected themselves in the October 1980 Employment Survey. That, I think is the reason.

HON P J ISOLA:

I am not quite clear.

I can understand why the wages and salaries in the public sector went up in different phases of settlement. What I am saying is that the differential, referring to what the Financial and Development Secretary has said, appears to be widening and not narrowing. I think the reasons for that must be the economic state of the private sector. And I think it is worrying because all employees are employees, all working men are working men, and as much as possible we should try and achieve, and Government economic policy should be geared to achieving, parity between the private and the public sector as well. The people in the private sector are also Gibraltarians. The people in employment are also entitled to the high standards of living, I hope that is an aim of policy in this House. I hope the Government does not think that they must make their own employers have a nice standard of living and we are not concerned about people in the private sector. I think Government economic policy must be geared towards improving the lot of the private sector, not bringing the public sector down to the level of the private sector but bringing the private sector up to the level of the public sector, and economic policy should be geared to that and Government measures should be geared to that. It is true of course that in the private sector there are Unions operating in the same way as in the public sector, I don't doubt for one minute,

but I think the Unions, I don't know we don't seem to get so much industrial problems, anyway, but the Unions in the private sector presumably get as much as they think they can reasonably get for their members in the private sector, and the Unions in the private sector have to recognise economic factors that perhaps do not exist in the public sector, because as I said before the Government has a tap ie taxation, and the money is there. But the Union recognises that the private sector cannot do that and therefore we do have an interest, Mr Speaker, in a flourishing private sector.

HON J BOSSANO:

If the Hon Member will give way.

HON P J ISOLA:

Now he wants me to give way.

HON J BOSSANO:

If the Hon Member will give way if he wants to be enlightened.

The policy of the Union that negotiates in the private sector, Mr Speaker, is the same policy as the Union that negotiates in the public sector, and in fact ability to pay either in the public or the private sector is not a consideration. What happens is that in the private sector the two major areas where the Union negotiates are the construction industry and the retail trade. In both areas the wages are on the same level as in the UK, and in the public sector they are on the same level as in the UK. But in fact in the UK for a craftsman, for example, in the construction industry the level is below the public sector level, and in the case of shop assistants, which are the bulk of the retail trade, the level is below the level of an unskilled worker in the public sector. So we have parity of wages between shop assistants' wages in Gibraltar and in UK, but this, if you bring out a statistic which shows the average earnings, and 25% of the employees are in a low paid category, it brings the average down. But I think if one looks at specific trades, the comparisons are quite different and the rates are quite near each other.

HON P J ISOLA:

Well, I am glad to hear it.

HON A J GANESA:

Of course we are talking of average earnings and that in the public sector the Government is providing a service 24 hours of the day every day of the week in certain key areas, for instance in the hospitals, they have to be kept going, the distillers are kept going at weekends, the Generating Station is kept going at weekends, and, therefore, there are high overtime earnings, high shift premia and disturbance allowance which all add to the average earnings, whereas that is not the case in the private sector. This is a very important reason.

HON P J ISOLA:

Mr Speaker, I do wish the Financial and Development Secretary had not mentioned this in his Budget contribution, but all I am doing is drawing conclusions from statements made about the differentials between the privately-paid and the publicly-paid, and if I may carry on following up what my Hon Friend Mr Gossano has said, whatever the reason for the differential may be, and it seems now that the main reason seems to be that civil servants in England are paid more anyway than shop assistants, if that is the reason, then all the more reason, Mr Speaker, why the Government in considering budgetary measures should take into account those in employment in the private sector who can obviously afford less from what we have heard than those in the public sector. Perhaps we can draw that conclusion, and when people talk about what so-and-so is earning in the Generating Station or in the Public Works Department or behind the scenes in the Government Secretariat and complain they might think of those who have these quite substantial differentials in earnings in the private sector. And I would have thought that the policy in Gibraltar, and God forbid, Mr Speaker, that I should get involved in these things, but I would have thought that the social policy to follow, certainly in Gibraltar where it is so small, is to try and assimilate the private and public sector and try and achieve the same sort of earnings between these two sectors on average. It seems to me that the differential is greater than it should be and it seems to me that it is growing rather than

narrowing. Perhaps, depending on the present industrial situation in England, that will narrow the other way now that the private sector settlements will go higher than the Government settlements, and I will not stick my neck out and say anything on that, Mr Speaker, perhaps that will bring them closer together, but whatever the reasons for it I believe that the differential seems to be very wide, especially with monthly-paid employees. Because my Hon Friend is really referring to the weekly-paid, the construction industry and the shop assistants. The monthly-paid must be obviously the people who are white-collar workers. I do not know who negotiates for them, or if anybody does, but the differential there of 30% and 40%, Mr Speaker, is big. I think those are matters that the Government should bear in mind when considering economic policy and I think it is relevant to a limited extent I suppose to the present Government measures, for example, the question of water for hotels, they are not going to pass the increased charges to the hotels, they might have considered not putting any increased charges at all. We shall come to that obviously when the budget comes, but that might not be a bad thing if, as a result of that measure hotels are not going to close down and this causes a lot of unemployment. I think that in the circumstances of Gibraltar, Government economic policy must be geared towards improving the lot of the private sector. And when we talk of the private sector I do not wish to be misinterpreted, because I invariably am and people like to misinterpret me, when we are talking of the private sector we are talking of everybody involved in the working of the private sector. That is important because we are interested in improving the standard of everybody in Gibraltar, and obviously improving more quickly the standards of those whose standards are low. I was pleased to hear from the Acting Minister for Tourism that he was acting in concert. That is what we would like to see: Government and private industry working together towards improving their position and not having bickering as to whether a glass of sherry in a hotel should be 75p or 45p, because it seems to me that when we are talking of the product where tourism is concerned that the whole of Gibraltar has a lot to learn in that respect. One should not really pinpoint any particular aspect because it has to be a concerted effort. Gibraltar has to be tidy, Gibraltar has to be clean, facilities have to be given to tourists to spend their money in Gibraltar, if that is, as it appears to be, a major industry in our community.

HON. M. J. ZACHITT:

If the Hon. Member will give way. The point I was trying to make on a 75p glass of sherry was that I mentioned in my contribution that I had received complaints of the price structure during my trade promotion visits, and I think I would be failing in my duty had I not brought back to the notice of the people what they complained about. There is no bickering about it at all, it was a question of, through me, bringing it back and laying the complaint where it ought to lie, that is with the Hotel Association.

HON. P. J. ISOLA:

I appreciate what the Minister has said but I think there was some press correspondence on this, if I remember rightly, there was a television programme and there were complaints as the Minister will no doubt remember about the state of the streets, etc., in Gibraltar. It is a general thing but the point I am really making, Mr. Speaker, is that I think that if the private sector is going to survive, as it has to survive in the mixed economy that we have to run, and if as Government has said it wants to build up the private sector because you cannot always rely on the State, at least the Government has to give effect to this in working together with the private sector and taking account of their legitimate needs. I am not saying they should give them everything they want, but taking account of their legitimate needs to improve the viability of that sector.

Mr. Speaker, and talking about viability and talking about revenues, I certainly would agree with what my Hon. Friend Mr. Resting asked the Financial and Development Secretary about some of the figures in the Revenue Estimates in relation to revenue, especially on import duties. I am a little perplexed as to why the increase in the level of import duties, the receipt of import duties, is low, or seems to be low, there is probably an explanation for it, as compared to the level and the increased level of imports. Because I notice he talks in page 7 of his contribution that the import of motor vehicles has gone up by 51% over the previous year and we all know that the import duties on motor vehicles were increased substantially in the last budget. We are told that clothing imports

have gone up by 40%, footwear by 80%, and durable household goods by 40%, and that food imports have gone down to 25% - that does not pay duty anyway - and yet the general level of imports seems to have risen by 20.5%. And certainly it seems to us, Mr. Speaker, that the sort of increases in yields and income tax following wage settlements etc., there does not seem to be a corresponding increase in import duties, in the level of receipts on import duties. I think we asked this question last year, but I think this year it seems to me more pertinent because of the apparent higher levels of imports and the Government only expecting another some £300,000 more in import duties in 1981/82 than the revised estimates for this year. To me, Mr. Speaker, that requires some explanation, having regard to the figures that we have been given on the general level of imports. It may be that there are other reasons it may be that the fuel tax has not been so high and so forth and that has levelled it out. I don't know but certainly we would welcome an explanation as to why the level of import duties seems to be comparatively low. Mr. Speaker, I beg your pardon, I was looking at the wrong item. It was £6.2m., Revised Estimates - and £6.5m. in the estimates for 81/82, it is still another £300,000 only.

While I am on that page, Mr. Speaker, on revenue, again on rates, the revenue on rates again seems to me to be under-estimated. I think the increase is expected to be around 18% and as we understand the position, and again perhaps this can be clarified, rateable values appear to have gone up between 25% and about 60%. Therefore one would expect a much higher yield from rates. And what adds force to that is that if you look at page 38 of the Expenditure Estimates you will find a very substantial increase on tax of about 25% on Government Housing. The Rate Assessment on Government Housing goes up this year from £496,000 to £658,000, which indicates a rise in rates of around 23%. That is just on Government housing. And assuming a similar pattern - not assuming, I am sure at least a similar pattern in private sector housing, it seems to me that the rates receipts seem to have been under-estimated. It is true that there has been more Government housing to be rated but I would not have thought there had been that number of houses built by the Government to justify such an increase.

And talking of rates, Mr. Speaker, I would like to refer to part of the Chief Minister's address when he talks of the proposed increases in rents at 1 July in Government Housing of

20% and then 23% where the Housing Fund is going to receive a budget contribution of £1.5m. He talks of increase, he says: "Again action will once again be taken this year to prevent an automatic increase in rates taking place next year as a result of rent increases proposed." That is what was said in 1979 when the rents were increased. But, Mr Speaker, with great respect to the Chief Minister his Valuation Officer seems to have made up for the non-increase in rates last year this year because it seems to us that increasing rates by around 25%, or 33% as I am told it is in most cases, and if it is not we would like a figure from the Government as to the increases there are in rates as from the first quarter of this year, we think that an increase of 33% or a figure of around 25%, or whatever it is, no figure has been made public by the Government, I think we should have it, is the sort of figure which if somebody in the private sector were to try and make would have a very quick reference to the Consumer Protection Officer as to what the public were getting back for this inordinate increase of rates. What are they getting back in terms of new roads, cleaning, tidy streets and so forth?

HON CHIEF MINISTER:

If the Hon Member will give way on a small matter which might simplify the rest of his contribution in this respect. The Government does not put up rates at all, that is done by the Valuation Officer who is a quasi-judicial officer, who acts according to law. The Government only fixes the poundage of the rate if there is too much. The difficulty now is that the rate is a relic of the Municipality and it is very difficult to assess - it is really now another form of taxation - it is very difficult to assess what the rates value should be according to the services rendered because they are no longer identified and they are all merged with the expense of the Public Works Department. In so far as the particular percentage increases that are estimated, it should it be taken into account the very high rents that are being paid in respect of business premises which of course puts up the rates considerably and that is why the percentages may appear high. But that does not necessarily mean that they are high in respect of private dwellings any more than the re-valuation of the judgement of the Valuation Officer is concerned. It is not a Government measure, it is a result of legislation and the machinery of Government. We do not say we are going to put up the rates or put down the rates, that is

the poundage which we haven't touched for a very long time.

HON P J ISOLA:

Mr Speaker, it may be a quasi-judicial function but I notice that action can be taken to prevent an automatic increase in rates taking place.

HON CHIEF MINISTER:

By legislation.

HON P J ISOLA:

By legislation. Well then we ought to have legislation on this, Mr Speaker, because the beneficiary from the rates is in fact the Government. So indirectly as they are the people who are receiving this we must look to them to ensure that the level of rateable values is consistent with the services that are provided in return, and certainly when I was talking of the increases in valuations, Mr Speaker, I was not talking of the increases in business premises, because that we more or less know goes on the rents that they pay, and it may well be questionable whether it should be on that basis. But the housing valuations are done on a different basis and they depend on comparisons with Government dwellings. So it depends on the valuation given to Government dwellings.

HON CHIEF MINISTER:

No, the valuation is on the rent given to Government dwellings.

HON P J ISOLA:

Yes, they are compared to Government dwellings, or whatever it is that is done. But the net result, whatever it is, is another imposition, let us not call it a tax on the people of Gibraltar which has to be taken into account by the Government when assessing how people should be taxed. We feel, Mr Speaker, and we would like

information as to the percentage increases in the Valuation actually done in respect of this year, because we think they are inordinately high. And if the form of valuation produces that sort of result then we think that the form of valuation should be revised and brought into place in a reasonable manner with what the needs of the community requires.

Mr Speaker, I have spoken about the Funded Services and about the General Revenue Balance and I would like to say just a little on the question of industrial relations as it affects the Budget and make an observation there in relation to industrial relations. As, on this side of the House, believe there should be good industrial relations between employer and employee, and I think that is a statement which everybody would agree, but we also believe that where industrial relations are concerned, or where industrial disputes are concerned, we do think that the Government should give more information to the public as to what is happening, because the public are, as it were, the shareholders in the Government. They are paying for the running of the Government and we have a feeling that the public are not told enough of what is happening. We are not asking the public to make judgements, it is not the job of the public to make judgements except if they are asked obviously, it is a question of information to the public as to what is happening. I think the outstanding example was in fact the continuing dispute, for example, in the Generating Station, where the public just did not know what was happening. They did not know whether it was industrial relations or whether it was poor equipment or whether it was bad planning. The public were kept in the dark as to what was happening, and if there was an industrial dispute what is wrong in telling the people shortly and briefly about what is happening, because I think the people are entitled to know. Not involving them in the dispute, because that is a matter between the employer and the employee, but letting them know. For example, today we had the Acting Minister for Postal Services telling us about some dispute in the Post Office, as a result of which registered mail cannot be sent from Gibraltar. I do not know how that is affecting the banks. Express air mail cannot be sent to Gibraltar, and we have to rely on the girls in the counter to tell the public that they were in dispute because this, that and the other. I think the public should be able to know. And as the acting Minister mentioned there was £1,400 expenditure down for some safety lockers in the Post Office. If that is the cause of the dispute then the thing should have been settled. These are matters that the public should be told about. They should know why there is a dispute. It should know it because the workers are claiming uniforms, or

their security arrangements aren't right, and for this reason there is a dispute and we regret that is happening, but that is not, all we hear usually is a very brief statement from the Government and then one hears nothing and the dispute carries on. The same, if I may say so Mr Speaker, has occurred with the refuse collectors. They gave the public a little information about this dispute, that they wanted seven days or whatever it was, then the dispute was settled, we heard very little about it and now we have another dispute on our hands. The public should be brought into the confidence of the Government. The public should know what is happening and this is especially true with regard to the disputes in the Generating Station where today there are a lot of people who believe, as we do, that the prime cause there is faulty planning and faulty equipment, but there are a number of people who believe that it is because of industrial action, the power cuts have occurred because of industrial action. It has not been said black-upon-white in Government statements but it has been let out, it has been told to me by a number of people. I have said I did not know, we are not told what happens.

And I think there is a need for more openness and frankness in questions like this because it affects one way or another the Estimates, and it affects the people who have to either put up with the inconvenience, and at least if one is putting up with inconvenience one wants to know why one is putting up with this and one might agree with putting up with this. Another example, Mr Speaker, is the IPCS work-to-rule that we have in this House which I mentioned and on which I asked the Government for a statement. We got an explanation. We asked for it because again we are told this happens and no one quite knows.

I think the people ought to be told, ought to know what is happening.

Mr Speaker, from that I will move to the Public Works Department and the Public Works Inquiry. An Inquiry as my Hon Friend Mr Scott said was carried out in the Public Works Department and we of the DPWG were invited to attend at what was described as a preliminary meeting. Then we have heard nothing more from the Committee of Inquiry. They were coming back in January, they were going to call us, they did not come. As a result we do not know anything about it. Of course, I have asked for it, I think it is a great pity we have not received it because I think that Report should be made available very quickly to us because the

vote on the Public Works Department, Mr Speaker, is quite enormous and I think we should know more about that. But we cannot give our support to a Report which appears to have been released, or appears to have been made, without apparently full consultation with all concerned. I am surprised myself, and I agree with the Hon Mr Scott, I am surprised that the Committee did not approach suppliers to the Government, especially to the PWD on the matter. I am surprised they did not but again no doubt the Report will give us the answer. But talking of the Public Works Department, Mr Speaker, I think there is a need to restructure the Estimates of the Public Works Department. Very little is said in the Departmental vote. We just have block measures. Yesterday we were told for the first time that the average worker gets sick leave of 2.25 hours a week on an average.

HON K FEATHERSTONE:

In each week he takes .3 of a day sick leave.

HON P J ISOLA:

That is 2.25 hours a week, isn't it?

HON M K FEATHERSTONE:

Yes.

HON P J ISOLA:

2.25 hours per man per week. That seems to us to be high and the Chief Minister did say in his statement: "I have referred to those who cheat their employers and their fellow taxpayers by not producing what they are paid to produce." I am sure that when the Minister speaks of 2.25 hours per week per worker, I am quite sure that that is not the case for all workers, that is

the average and therefore there must be abuse. What we are against is abuse. The Government, I notice, has an Expenditure Committee, has an Overtime Committee and perhaps they might consider having a Sick Leave Committee to inquire into the position to prevent abuse. That is what we are talking about only.

HON M K FEATHERSTONE:

If the Hon Member will give way, I think I said that we are monitoring it very closely and we ourselves are cognisant that in certain instances there is abuse and we are going to deal with it as it comes along, and that already we have got the figures down to 0.273.

HON P J ISOLA:

Thank you, Mr Speaker. The reason why I mentioned that is because I notice that the Public Works Department is now taking over the Housing Maintenance Vote. I know they have always had it and the Minister will remember it has always been a cause for complaint on this side of the House because the Housing Department was set up in order that we should know exactly what is spent on housing and that the Housing Manager would be responsible for expenditure. Over the years we have discovered in this House that although the Housing Manager was responsible for the vote the Director of Public Works was in fact spending the money. Mr Speaker, now that the maintenance vote has actually been put possibly into its proper place, the Public Works Department general housing maintenance and so forth, it is my belief that it makes it impossible for the Government to try and saddle housing tenants with a proportion of what the Public Works does and says it was spent on housing, because it is such a huge Department that unless the money can be identified I think it is wrong to burden Government tenants with what seems to me to be an inordinately large vote. For example, Mr Speaker, we are told that a requisition works out at £70 on average. This is very high indeed and certainly I believe that what the Minister should be doing, instead of pushing rents up, is identifying the reasons of the high cost of Government maintenance and repairs. Identifying the reasons and trying to put them right instead of just having a fixed charge which the Chief Minister had said he is now going to introduce in respect of repairs. We have not been told what the fixed charge is going to be. Presumably we will get that in the

Finance Bill or somewhere else, but I would have thought that an option should be given to tenants in Government housing on a list of the sort of internal repairs that they should be invited to carry out themselves rather than put a fixed charge on their rent.

HON CHIEF MINISTER:

Surely, that has been misunderstood. A fixed charge for a requisition, not a fixed charge on their rent, in order to avoid the necessity of calling for very minor matters which people should be encouraged to do themselves. It is not a fixed charge on the rent. I am sorry if that was the understanding. It is a minimum fixed charge for attendance.

HON P J ISOLA:

Thank you, Mr Speaker.

Mr Speaker, I would like to move to the Improvement and Development Fund the expenditure and our worries and position on this. As I said earlier on we are pleased that the Government has for the first time in eight years spent on the Improvement & Development Fund what it should have spent. I have noted what the Minister has said that the staff has gone up again in the technical side of the Department. I would like to remind the Government about what was said in this House in 1978 when we criticised the increases in the technical staff of the Department and we were told that the Department was now geared to carry out the Development Programme before 31 March 1981, in the three years. That has not happened and although we are pleased and we congratulate ourselves for having pushed the Government, we congratulate the Minister for Economic Development for being the first Minister in eight years who has spent more or less what the Government said it would spend in every year and in every year they have told us they are going to spend what they said they were going to spend and they have fallen far short every year, this year has been the first year I am going to congratulate them. But I criticise the Government and say that it is a pity for Gibraltar and that it is a tragedy for Gibraltar that the Development Programme was not completed within the three years in respect of which we received assurances from the Chief Minister in the Budget of 1978 when he announced the results of his discussions with the British Government. In fact, Mr Speaker, the Government should have already

held their discussions with the British Government for the next Development Programme. If everything had gone to plan they should have held their discussion in February or March of this year so that the new Development Programme could get going. I believe and I understand that the discussions with the British Government are not in fact going to take place until the end of the year, and perhaps if that is not the case somebody replying on behalf of the Government would let us know.

HON CHIEF MINISTER:

You have more information than we have!

HON P J ISOLA:

The information I got was from a Foreign Office official. That is what I was told, that British Ministers had not even discussed the principle of further Development Aid for Gibraltar. This is what I was told and I would have thought that the Government would have been told because the Foreign Office official concerned came to Gibraltar to have discussions with the Government. Anyway, it does not matter but I believe it will not be.....

HON A J CANEPA:

Would that have been Mr Paskett?

HON P J ISOLA:

I do not think I will mention names, I'll tell the Minister outside.

HON A J CANEPA:

We had somebody here from CDA in December but he certainly did not give any indication that there weren't going to be any talks until the end of the year.

HON P J ISOLA:

The only person I have had discussions with is an CDA official last December.

It wasn't Mr. Peskett, and I shall tell the Minister. But anyway it seems to me that is likely to occur because the only two things the Government is doing on the next Development Programme now is power development, which they should have been doing in the last Development Programme, power development and the telephones, which, Mr Speaker we raised in 1977. We were pressing the Government for that, in 1977, the International Subscriber Dialling. But what we are interested in, as far as the new Development Programme is concerned, Mr Speaker, is housing. That is what we are interested in fundamentally, and looking generally at the Estimates for Housing it seems that the project that is left on new Housing at the moment that will follow, according to the estimates, in 1982/83 is the project in Catalan Bay which, Mr Speaker, as you know is a closed shop, that is only going to help our friends at Catalan Bay. So as far as the general housing list is concerned it is going to mean that that is the only building that is going to go on in Housing in 1982/83, from these Estimates, and also St Joseph's project which seems to be the only new development from Development Aid funds that will carry on into 1982/83. That is looking at this picture Mr Speaker. Those are the only two new housing projects that are going to go on to 1982/83. The other things going on into 1982/83 are the pitched roofs at Varyl Segg, which in fact should have been done a long time ago, and of course the Tower Blocks renovations which is a new thing altogether.

We are concerned with that, and knowing as we do the time it takes for a Development Programme to get going, we are concerned that there is going to be a hiatus in house building between the last Development Programme, or the one current which should have been finished already, and the next Development Programme. We are concerned about that position because there are still a great number of people on the housing list as we all know. And we are concerned until we hear to the contrary or get assurances to the contrary that housing is in fact going to slow down because.....

HON M K FEATHERSTONE:

May I on a point of clarification remind the Hon Member

that on several occasions I have stated that my Department has got so well ahead that they have the plans ready to go out to tender on new housing projects as soon as they are approved by CDA so we hope they will be later in the year. Everything is ready to go out to tender the moment the CDA give us the go-ahead.

HON P J ISOLA:

Mr Speaker, unfortunately we have experience of CDA, and when have complained about progress on development schemes the other side has always said that they are awaiting approval from CDA. And what we are concerned about is that because the 1978/81 Development Programme was not completed in time, the next Development Programme is now delayed, discussions with CDA are delayed, approval of projects by CDA are delayed, and there is going to be a big gap between the finish of one programme and the commencement of the other. We are expressing our concern because we feel that the Government's record on housing in the Development Programme that has gone by has not been good, because the Government has concentrated too much on modernisation and not enough in the creation of new housing units. As a result the housing priority list has got longer and longer. I would like to add here what my friend the Hon Mr Scott has said and repeat our view that time and energy has been wasted on the Woodford Cottage scheme. We feel that that area should have been used for public housing, for housing projects, for which there is a great need in Gibraltar.

Mr Speaker, I would like to say something now about the Port Feasibility Study. Mr Speaker, this House has voted £90,000 for the Port Feasibility Study and I do hope that Members of the Opposition will be granted access to that report. It is a report that apparently carries us to the end of the 20th Century and possibly beyond. The Minister has outlined some substantial schemes put forward in the Port Feasibility Study. I believe that both sides of the House are interested in the development and in the future of Gibraltar and this side of the House should be allowed to see the Port Feasibility Study report.

Mr Speaker, it is a matter for some regret that we should

get to know things in reports from different quarters instead of getting it direct. As was mentioned in this House, and the Minister told us, there was a Government commitment, Government gave out areas in the Port, in the North Mole, to a private firm, gave extensions at the time when they were commissioning the Port Feasibility Study. We have been told by the Minister responsible that that was a Government commitment prior to the commissioning of the Port Feasibility Study but my answer to that is that the person or the firm who were given the area and who have spent presumably considerable amounts of money on it should have been warned that there was a Port Feasibility Study, the recommendations of which might affect that particular part and suggestions made by the Government that the development should not proceed.

HON A J CANEPA:

If the Hon Member will give way, How could that person be warned at the time that there was a Port Feasibility Study when there wasn't one? Perhaps the Government, although I cannot speak for my predecessor, and it would be unfair of me to do so, but I as a member of the Government was not aware in early 1980 or late 1979 whether there was going to be a Port Feasibility Study or not. If something has not yet crystallised how can you warn somebody months beforehand when they are asking for a further allocation of land in order to meet certain problems that they had themselves, that this might happen, when you didn't know that it was going to happen. As to how people can find out the information contained in the Report, very likely in this case the matter is simple. They have submitted a Building Application for a further storey and they have been told that this cannot be considered because there are implications in the Port Feasibility Study on their property and, therefore, at the moment their further building plans cannot be seriously entertained. That is how people find out. They have to be given a reason as to why something cannot be entertained by the Government.

HON P J ISOLA:

Mr Speaker, I do not want to disagree with the Minister because he obviously must have the facts but as I recall at the time the Port Feasibility Study was commissioned, or it was announced that it had been commissioned, there was actually building going on at the time, it had not

been completed, that is my recollection, I may be wrong. But it seems to me that if the Minister who must have been thinking about the commissioning of a Port Feasibility Study some time before he announced it, he is not going to consider it one day and come to the House and announce it, he must have been looking around at the Port. He questioned the Minister, if I remember rightly, on the advisability of giving an additional area in the Port when the Port Feasibility Study was being made before building had commenced. I may be wrong.

HON A J CANEPA:

The Hon Member did that in respect of the Bonded Stores and the answer was that the Government had already, well before, I think it must have been in April or May last year, the answer was that the Government had committed itself in respect of the Bonded Stores well beforehand. This was a matter that my predecessor was discussing with the people concerned three or four years ago. I remember the matter used to come up in the Development and Planning Commission and in his view because the people concerned were very closely connected with the Port it was in the public interest having regard to their Port activity that they should be allocated land there. Whatever the Port Consultants may say the Government today, and the Opposition for that matter, could well disagree with them because having regard to limited space in Gibraltar it may not be possible for people like Underwater Contractors or for Mobil Oil to be situated elsewhere.

HON P J ISOLA:

Mr Speaker, I thank the Hon Member. He has in fact now pinned the date to May of last year which I think was the right date, but in May of last year, or for as I am aware, no construction has been done on the North Mole, no work of construction. I am not suggesting that the Government disagrees or agrees with the Port Feasibility Study, I am not saying that, all I am saying is that once the Port Feasibility Study was being commissioned the Government should have tried to stop by

negotiation or whatever all works until the Port Feasibility Study which was completed in a comparatively short time, had been submitted. Because suppose the Port Feasibility Study had suggested, I heard it had suggested, that the whole of the North Mole should be used for Transit Sheds. I don't know, this is what I have heard, or for Government purposes, and there should be no private development there, suppose it had, I don't know, but if it had, Government is now in a position, having given the land to a private developer and allowed him to develop it, of having to compensate. And how much is that compensation going to be? I was given a figure of a quarter of a million pounds. And who is going to pay that quarter of a million pounds? As I said, Mr Speaker, we cannot talk about the Port scheme because we haven't seen it but this is something that has come through to us, this sort of situation, and we think that if you pay £33,000 on a Port Feasibility Study the least you can do is to stop current development. And, Mr Speaker, in this connection, although God forbid that we shouldn't build the Power Station, I think the siting of the power station is something I don't know whether the Port Feasibility Study has talked about it but we are very pleased to hear from the Minister that the Port Feasibility Study has suggested reclamation in the Waterport area as between the Varyl Begg Estate, something which the Government could have had for nothing if they had read the DP3G Election Manifesto which suggested precisely that.

But of course the Government preferred to pay £33,000 to get that sort of advice. We welcome it, but the only thing that we wonder, Mr Speaker, is whether any sort of housing development is going to be possible between the power station and the Varyl Begg Estate in view of the presence of the power station. We just wonder whether perhaps if there had been more planning and not so many rush jobs as always seem to be the case with Government, more consultation and so forth, we wonder, we haven't seen the Port Feasibility Study, but we wonder whether the Report that has cost £33,000 could not be put to better use. I can see already constraints on implementing the report as a direct result of Government action taken without advice from the people whom the Government pay to advise. I don't know. I hope we shall be able to see the Port Feasibility Study Report. If, however, this sort of criticism has been made in the Report then I suppose it may not be made available to the Opposition. But we agree to deal with it responsibly in the same way as we

deal with all the information that the Government gives us, and we look forward to an opportunity of reading the Port Feasibility Study which, after all, has cost the Gibraltar taxpayer and the Gibraltar public a considerable amount of money, probably money well spent but let us all have a look at it and let us not just keep it the exclusive domain of the Government.

Mr Speaker, I would like just to make very quick remarks on - I don't really have much to say - individual contributions. I think I have covered them and I would like merely to say in conclusion that we look forward as an Opposition with great interest to the Income Tax Allowances and the income tax policy of the Government. We also look forward to hearing something on the position, we hope that the budget measures will say something about Elderly Persons Pensions, Mr Speaker. We hope that the Government will be convinced of the logic of the argument that the state pensions should be treated equally and we reject the argument of the Hon Ministers, or successive Ministers for Labour, that you can be a rich man and enjoy a Social Insurance Pension tax-free and you can be not such a rich man and enjoy Elderly Persons Pensions tax paid. There is a clear injustice and a clear inequity there which we look to the Government to put right. We have pressed for this on successive budgets and every opportunity in successive debates. We will continue to do so, Mr Speaker, until justice is done in the state pensions.

Mr Speaker, the Government thanks to its overtaking, thanks to its stringent budget measures, is now in a position to give the people of Gibraltar back something of what it took away from them and we look forward to hearing about these measures and we look forward to continued improvements, as we are sure there will be, in the situation of Gibraltar and express the hope that the Government will continue to dispense favours to the people of Gibraltar, continue to dispense the monies that they have taken from them in two years of harsh budgets, in this budget and in subsequent budgets.

Thank you very much, Mr Speaker.

HON J MOSSANO:

Mr Speaker, this is my ninth budget and I shall attempt, as I have done on other occasions to give the House the

benefit of my views on the economics of the situation facing Gibraltar over the next 12 months. Let me just say before I start my analysis that in being the last speaker on this side of the House to make a contribution this year I find that I am not at odds with the Hon and Learned the Leader of the Opposition as I was last year when he got very hot under the collar because he did not wish to precede me. I don't know whether that qualifies for a U-turn or not now that we have had so many U-turns this year, but I am glad that he has accepted the logic of my hearing what the Government's policy is and what the policy of his party is before I make my own contribution. In fact, there are a number of areas where I am at a loss to know what the policy of the party led by Mr Isola is because they have been omitted. I don't know whether the omission is a reflection of not having thought the matter important enough to make a policy statement or whether it is simply an oversight but let me just deal with one specific matter on which I wish to make quite clear my own policy and the policy of my party, and that is the mention that was made by the Minister for Public Works as regards the question of employment in the Public Works and the need to either make non-Gibraltarian employees redundant or introduce compulsory retirement in order to create vacancies for school leavers entering into apprenticeship. I can assure the Hon Member that this will be in fact completely opposed by the Trade Union Movement and that I support that opposition politically and that therefore as far as policy is concerned I cannot accept that there is a ceiling in the level of public sector employment. And in arriving at that conclusion I think it is important, Mr Speaker, to analyse their specific roles of the public and the private sector. The Hon and Learned Mr Isola, in fact, in much of his contribution, has presented himself I think as the champion of the private sector. I think he has additionally been careful to extend his championship to employees of the private sector and not to limit it to employers of the private sector because obviously in electoral terms the numbers gained must ensure that you seem to be protecting all the people who work in the private sector and not just the people who provide employment in the private sector. Of course, for the workers in the private sector, whether they work in the private sector or whether they work in the public sector, is of little relevance, what they want is employment and the only income they have is the fruit of their labours, and, therefore, essentially, when we are looking at the different roles that the Government performs, as I see it, the Government as an employer is in some respects no different from a private sector employer that is providing a service to the community which it sells at a price. When

we have the Government providing that service, generally speaking, historically speaking in Western Europe, we have seen Government taking over services for which individual payment is difficult to arrive at. The traditional example in economic analyses is that, for example, if you have to provide a lighthouse then you cannot charge a fee to every ship that fails to get shipwrecked in order to pay for the service. And there are services, and clearly things like electricity supply which are monopoly situations, are generally speaking publicly owned precisely because if they were privately owned it is thought that that would give the institution the firm of individuals providing that service an overpowering monopoly situation which it could exploit to extract an unfair profit. In that sort of situation, if we are looking at the services provided by the Government to the public and at the services provided by the private sector to the public, the obvious element that is missing in the Government providing that service is the profit element. And as a socialist one cannot simply be in favour of the expansion of the public sector without wanting at the same time that public sector to provide an economic service to the consumers of the service who in the main are also working people who are using their income to pay for what they are being provided. Now that is paid is fundamental to the concept of taxation and to the concept of funded services that we have had put forward over the last few years by the Government, with which I will deal in a moment. But the important thing, Mr Speaker, is that this dichotomy between the public and the private sector is to my mind wrong. In places like the United Kingdom today and in the United States we are seeing in political circles a clear, pronounced anti-public sector bias. I'm not sure whether that is reflected in any way in this House because when the Hon Mr Isola talks about index-linked pensions he goes on to say that he is not saying that the public servants shouldn't have index-linked pensions, what he is saying is that he would like the private sector to have index-linked pensions, which is fine. I would like to see everybody having index-linked pensions and I would agree with him, so I am not sure whether his criticism of the public sector in the comparison that he makes between the public and the private is because he thinks the people in the public sector are too well off or because he thinks that the people in the private sector are too badly off. If it is the second.....

HON P J ISOLA:

Mr Speaker, I think I made it perfectly clear. I don't

know whether the Hon Member was here but I made it perfectly clear that the aim should be to make the private sector as well off as the public sector. Let there be no doubt about what I said. My Hon Colleague doesn't have to talk of two alternatives, there was only one I mentioned.

HON J BOSSANO:

I am very glad to hear that, Mr Speaker, because in fact if that is the case then the Hon Member will agree with me that if it is an indication of anything it is an indication of the private sector being worse employer than the Government.

HON P J ISOLA:

If the Hon Member will give way. I also said that as far as the public sector is concerned the Government has a tap, that is, taxation, the private sector has no such tap and that is why one has to ensure that the private sector has a tap from which it can pay out, it is not a question of bad employer, there may well be of course, bad employers in the private sector, and the private sector is probably more of a bad employer than the public sector, because as I said the public sector has a tap and political chiefs: the private sector has business people and I think it is a distinction one has to appreciate. It is a realistic one.

HON J BOSSANO:

I also think it is an incorrect one, Mr Speaker, and I will explain why to the Hon and Learned Member. Because the tap that the public sector has and the tap that the private sector has happens to be the same tap. It is the tap of increasing the cost to the consumer and, therefore, the difference in the way the tap operates is that in the case of the public sector presumably if the cost of the service is passed on to the consumer, the people responsible for taking that decision go out of business by getting voted out at the next election, and in the case of the private sector, they go out of business by going bankrupt or by being put out of business by competitors. So it seems to me, particularly in a situation where to my knowledge the costs that the business community may be obliged to bear, inevitably gets

passed on to the consumer, the operation of the tap is one of a vicious circle. The only people in the last analysis who pay for the services that they get are the people who consume those services, and what we are talking about is the degree to which they pay for it directly or indirectly.

Essentially, the only valid criticism that could be made of the non-expansion of the public sector would be to show that the community would be wealthier but we would be getting the same service because it can be done more efficiently, and not because it can be done at the expense of the people working in that area and actually providing that service. And in comparisons between the public and private there are two sides of the coin. Not only is it the case, Mr Speaker, as the Honourable Member has mentioned, that there may be a disparity in average earnings in the public and the private, which I think, in fact, is a misconception in the sense that the average doesn't mean very much unless one knows what the composition of the labour force is in arriving at that average. Obviously if in the public sector we arrive at an average figure of earnings including everybody from His Excellency the Governor down and we compare that with the private sector where there may not be equivalent jobs, then clearly we are going to produce a much lower average, but certainly in conditions of employment there is no question about the fact that the conditions of employment of public sector employees are superior. And there is no question about the aim of policy of the Trade Union Movement which is to bring out an improvement of conditions in the private sector for people who are organising trade unions in order to bring them up to that level. I think it is true that in the white collar sector of private employment, average earnings are lower, but it is also true that that is the area where there is the lowest level of Trade Union Organisations and the lowest level of wage bargaining. I can assure the Honourable Member, in fact, that for the 12 or 15 firms that are covered by Trade Union agreements, the salary scales in the private sector are the same salary scales as in the civil service. Outside those 14 or 15 firms, in fact, the situation is one where historically the wages might have been comparable prior to parity, and part of the reason, of course, was because in the public sector we had for a considerable time a time lag where workers in the private sector appeared to be better off because they settled, say, in 1974. But eventually when in 1976 the wages in the public sector and the salaries in the public sector were agreed retrospectively to 1974, one could see that the 1974 wage in the private sector was lower. It only appeared to be higher because they got their pay settled at a due date. I think one needs to take into account these distortions in making the comparisons.

Therefore, coming back to the original point, as far as policy is concerned, I would say to the Minister for Public Works that there can only be a ceiling on employment in the Public Works when the Public Works has run out of work. There can hardly be defensible justification for the ceiling on employment when there is a backlog of work to be done or when work needs to be farmed out to private contractors. And I would point out to him that in a situation where we have been told by the Minister for Economic Development in his contribution that in the two years between 1978 and 1980 the Government faced 100% inflation on building costs, which seems to be unexplainable because the whole economy was not suffering 100% inflation at that period in time, the average rate of inflation was about 12% in each of those two years, so when the Government has been facing 100% inflation in building costs itself, and it has a direct labour department, there is every economic justification for testing the validity of the prices the Government is charged by attempting to do some of the tasks itself with direct labour, and having a direct control over its labour force. I cannot accept that there is a necessity to put a ceiling of the level of employment and a necessity to introduce compulsory redundancies or compulsory retirement in order to create vacancies for youngsters who wish to learn a trade.

I am not saying on the other hand, Mr Speaker, that the Government must have an open-ended commitment to employ everybody in Gibraltar regardless of whether there is work for them or not because that doesn't make any economic sense either. Clearly the employment of people in the Government sector is concerned with the production of wealth, and in the case of Gibraltar when we are talking about producing wealth we are talking about rendering a service. We do not sell marketable exports in physical terms but what we sell is a service that we render externally to the UK Departments and to visitors from outside our economy, and internally to each other, and that is the whole essence of Gibraltar's economy. In doing that the Government has got a dual role as I see it. It has a political obligation based on a particular philosophy to give a sense of direction for the economy as a whole covering the public and the private sector, and within its own section of the economy it has an obligation to give the maximum level of service, the maximum return for the money that it is handling on behalf of the community. In doing this then I have said on previous years, Mr Speaker, in fact, in each of the previous budgets that I have been in this House, I have stressed the importance of budget time as a time when we in this House of Assembly get together to consider economic policy and not simply fiscal policy.

I have stressed again and again the distinction between the two. On the one hand, fiscal policy consists of revenue raising measures where the Government essentially say: I have got £40m worth of bills to pay in 1981/82 and the money is going to be found in this manner. But fiscal policies, revenue raising measures, have got an economic impact as well, and it is within a framework of an economic plan for Gibraltar that the fiscal measures should be taken. I said last year that, in fact, I could see no indication of this happening. I said in page 256 of Hansard last year that, Mr Speaker, it was impossible to try and produce a reaction to the Government's economic policies because there were no economic policies because the economic planning element was absent. I am glad that this year I can say that for the first time in my judgement there has been a clear indication of a move in this direction in the contribution of the Hon Mr Canepa, because when he was talking he said in his statement that the Forward Planning Committee had in producing this Development Programme for 5 years, from 1981/1986, laid down a set of criteria for the next Development Programme, and he said: "The broad objectives of the plan are: -

- (a) to maintain and improve the standard of living of the people of Gibraltar;
- (b) to secure infrastructural self-dependence;
- (c) to diversify the economy;
- (d) to promote a more equitable distribution of income and wealth".

In fact, this goes beyond the Development Programme. A Development Programme is an integral part of that, but that is a wider framework and I welcome that, Mr Speaker, because in fact this is the way in which we need to move in my estimation. And I am glad that this year I cannot say what I said last year that there was no indication of it because I think that is an indication of the fact that we need to produce a 5-year economic plan for Gibraltar with not only a physical Development Programme but with economic parameters and social objectives. And in talking about the need to maintain and improve the standard of living of the people of Gibraltar, I would remind the House of how I explained last year that my party envisaged this should be approached. I said in page 255 of Hansard of last year that there were three elements. The Government, effectively, should have a target

for economic growth to create wealth; secondly, they should have a set of fiscal policies to generate revenue; and, thirdly, it should have a social programme to determine how the wealth created should be consumed. The fundamental, critically, important area is of course the creation of wealth, because unless we are on a course of economic expansion then any attempts to redistribute income is simply a question of robbing Peter to pay Paul, it is simply a question of using the size of cake in different ways but it doesn't make any of us any better off and consequently economic expansion is vital.

In this respect, Mr Speaker, I cannot go along with some of the things the Hon and Learned Chief Minister has to say in his contribution. I will remind the House that last year I agreed with the Government that in a situation where there was an expectation of the frontier opening in June and an unknown quantity as to the effect that this would have on the economy of Gibraltar, it would be wrong to take risks with the economy. I agree that that was a time for caution in terms of the level of expansion or the level of investment that we should indulge in, and I agree that it was a time for fiscal prudence, and I would put it to the Government that there is in fact a fundamental distinction between fiscal prudence and economic prudence. The Hon and Learned Chief Minister in his contribution said: "our financial and economic policies for the future must continue to be based on prudence and, if possible, on an even greater degree of consolidation". I would not agree with him because I think on the fiscal side, consolidation and prudence means one thing, it means obviously making provision for what you are going to spend, but on the economic side, in fact, even though he said that I don't think he is doing that, but I want to make quite clear that in ideological terms I disagree with that sort of philosophy.

HON CHIEF MINISTER:

I don't think, if the Hon Member will give way, that prudence in any terms can ever be wrong.

HON J BOSSANO:

Well, Mr Speaker, I would put it to the Honourable and

Learned Member that the situation which is envisaged where the public debt of Gibraltar is going to be increased 200%, would for many people seem to be very imprudent. To go from owing £3m to owing £24m, many people would consider it to be highly imprudent. I don't think it is imprudent, but there are those who would, so I want to make quite clear that I do not support, in fact, restricted economic policies because in reading the statement the Honourable Member must understand that I am reacting to it as an economist and as a politician, and I know what words like that mean when they are used, for example, in other political contexts where there is a school of thought that says one must reduce the public debt, one must reduce the public sector borrowing requirements.

Now, that sort of talk, ideologically, I am against because I believe in economic expansion and I believe that the logic that can apply to private sector investments, to a businessman borrowing to invest, can equally be applied to Government. We have a situation today in Western Europe where for some peculiar reason people who themselves are in business are arguing politically, when it comes to their control of public finance, in a way that runs totally contrary to their behaviour as private businesses. They believe in the expansion of the private sector, they believe in borrowing in order to increase capital investment in the private sector, and they believe that it is immoral for the public sector to do the same thing. In the case of Gibraltar, the Gibraltar Government has two important functions to play in economic policy. Itself, it can generate a great deal of economic activity and it can create the right sort of framework for economic activity by investment by others. The House will recall, in fact, that in a motion recently I tried to persuade the Government, and successfully, and fortunately, to take advantage of the slack created in the construction industry by the moratorium on UK departments projects and to bring forward its own programme, if necessary by increased borrowing in order to maintain the level of activity in the construction industry.

When we are looking at borrowing, Mr Speaker, and the Hon Mr Canepa referred to the question of borrowing in saying that the Government was looking at its reserves, he said: "I should emphasise that the Government's development strategy is closely linked to its budgetary planning. It is important that recurrent revenue should

grow sufficiently, and that the reserves are healthy enough, to cover Gibraltar's borrowing commitments". In looking at borrowing, of course, one cannot look at borrowing in isolation, and I would agree entirely with that, and I would remind the House that both in 1980 and in 1979 I drew attention to the debts servicing ratio, the cost of servicing the public debt expressed as a percentage of recurrent expenditure. I think in the previous meeting of the House when we had the motion that I mentioned the Hon Financial and Development Secretary made reference to a 10% ceiling when in fact historically we have been well below anything like 10%. We have been operating at a level of 3% or 4% for very many years. I don't want to spend time telling the Government what they should have done 8 years ago, what they might be prepared to do next year. If I can persuade them to do it this year rather than next that will satisfy me, Mr Speaker, because I haven't got a time machine that can take us back 8 years ago and I think I would be wasting my time and the House's time if I simply dwelt on what might have been done rather than what should be done over the next 12 months.

In fact, going back to when I first came to the House of Assembly in 1972 we find that the situation in terms of reserves in relation to the recurrent expenditure was much higher than it is today. I don't know how it is that other Members of this House who have been here as long as I have feel that to have the level of reserves that we have is a gross imposition on the public because that was the level of reserves that was inherited in 1972 when there was £1.2m and the recurrent expenditure was just over £5m. We have moved from £5m to £40m, an eightfold increase, and we have moved from £1.2m to £8m which is about a sixfold increase. There is nothing magic about that figure of reserves because I think if one looks over the statement of the Hon Financial and Development Secretary's Mr Speaker, the ideal level of reserves somehow seems to coincide with the actual level of reserves and one can never find how it is that the ideal is arrived at other than by the obvious deduction that no Financial Secretary wants to admit that he is doing anything other than but the ideal. Of course, I think it is important to understand, I think it is important for people outside the House to understand, that the figure in fact that was down as reserves in those years, in 1972, in 1973, when I started in the House of Assembly, did not include unpaid bills, because we then had Notional Accounts and the revenue was shown in the Government's estimates when it was actually collected and not when the consumers were billed. So the actual position then was even stronger in financial terms than it is today.

Today, in the case of electricity, water and telephone bills, we have them shown as receipts for the Government when the bills are sent out and not when they are actually paid, and, therefore, we are talking about a figure in excess of £2m of unpaid bills. I would point to the House that in the Auditor's Report for 1979/80 he mentions other unpaid accounts amounting to £1m. In statement 47 on page 147, it shows arrears of revenue at the 31st March of £1m which are not, in fact, the £2m that I have mentioned. So I think for consistency of treatment either we should have the £3m counted as part of the reserves or none of the £3m, but to have £1m that doesn't show which is owed to the Government, and £2m that is shown as already being part of the Government's assets but which is not there in cash, is in my view undesirable, and I would put it to the Government that we should have consistency of treatment. Either we treat all unpaid bills in the same way in including them or in leaving them out.

I also think it is important, Mr Speaker, that there is a reference to the question of unpaid taxation. In this context the figure that the Honourable Member has given us of £1.3m extra tax collected from company taxation, I think, is a matter to be welcomed because I think it is only right that the cost of running public services should be equally shared by the whole community, and that those with a greater ability to pay should make the bigger contribution.

I am tempted to follow the practice of the Honourable and Learned Leader of the Opposition and say that the reserves are much better because I predicted that they would be last year - in fact, I did predict that they would be but I won't say. But I will say one thing that I believe that the representations of the Trade Union Movement has had an impact in this. I believe that the Government has given greater attention to the question of collecting from companies because this was a fundamental point made by the Trade Union Movement in respect of tax collection, where quite apart from saying; "we don't like paying so much tax", because nobody does, I don't think any of us in this House do and I don't think any of the people outside like paying tax, but apart from that the fundamental point of the Trade Union Movement was that the PAYE taxpayer was unable to avoid paying tax, there was no way he could escape tax, that there were loopholes that should be closed which enabled other people not to make a proper contribution to meeting the cost of public services. And, therefore, to the extent that the better financial outcome for this

year is as a result of success in that policy, I welcome it and I think that part of the credit must go to the Trade Union Movement for drawing attention to this point and making it a particularly insistent one.

Before I leave the question of taxation, Mr Speaker, let me deal with another point in the statement of the Honourable and Learned Chief Minister where I think he has got it wrong. I know last year that he told me after I finished my contribution that it was my best speech in eight years, so I suppose if I am very nasty to him this year he won't tell me it is my best speech in nine years, but I must tell him that where he says that as far as the Funded Services are concerned he stated "the Government's policy after the introduction of parity in 1978 and made it clear that while substantial subsidies could be justified before parity, this could not be justified thereafter. With the introduction of parity it was generally accepted that charges had to increase, this is one of the main areas in which the consistency of Government policy is to be seen." The only consistency that I see in that is that it is not the first time he said it. That is about it, Mr Speaker, because I don't know whether that is what he was looking for in terms of consistency but that, in fact, it is factually incorrect. What he is saying there does not happen to be true because.....

MR SPEAKER:

Does not happen to be 'correct'.

HON J BOSSANO:

Does not happen to be 'correct'. He may believe it to be true, Mr Speaker, but it is incorrect. Because if the House will recall the Hon Member placed me in the embarrassing position in the budget of 1973 in introducing increased electricity charges and justifying them on the grounds that there was a legal requirement to do so, in 1973, and when I stood up to speak..... I am not disputing that, Mr Speaker.

HON CHIEF MINISTER:

I am saying that that was the advice that we had at the time.

HON J BOSSANO:

I am aware that that was the advice the Hon Member had at the time but what I am saying is that he said that before the introduction of parity substantial subsidies could be justified. In fact, they could not be justified because the advice they had at the time was that it was legally impossible to have substantial subsidies, that the services had to be self-financing and I accepted the logic of that. In fact, I said, well if that is the legal requirement, I don't agree with the legal requirement but I cannot as a legislator advocate breaking the law so I will support the measures and having said that I was told by a three line whip that I had to vote against the Government, and for a number of years afterwards I was constantly reminded by the Hon and Learned Member about it. So now I have at last an opportunity to remind him of an inconsistency between what he said in 1973 and what he is saying now, because for many years we had Notional Accounts and the Notional Accounts were used as justification for raising charges for what are now under Funded Services on the basis that they had to be self financing. So, an element or subsidy of substantial subsidies were not justified before parity as a matter of Government policy, what actually happened was that retrospectively we found when we put the Funded Services on a proper accounting procedure in 1975, we found that there had been a de facto subsidy amounting to something like £24m for all of them. So that is the correct situation, Mr Speaker.

HON CHIEF MINISTER:

If the Hon Member will give way. Following the regulations that were made for the Funded Services and then following parity we did want, and I think this is still the aim, except to some extent of the subsidies which arise out of our attempt to be completely independent in this small economy to which I will refer in answer to what the Honourable Member is saying now, it had been the aim, if wages were reasonably fair, that people should pay for the services they were getting as

near as possible, always realising that in respect of housing it was impossible to get an economic rent, and other constraints, and also to some extent to which I will refer later in respect of the electricity undertaking, the point which was made by the Hon Member last year specifically but which I share, and that is that we can never get out the complete economic value because it would cost us more because we have to be independent, and in order to be independent the general body of taxpayers must pay towards that independence.

HON J BOSSANO:

I take the point, Mr Speaker. I think as far as that is concerned it hasn't been a view that I have expressed in the past and which in fact the Hon and Learned the Chief Minister took up and said that he agreed to the extent that we take a political decision to ensure Gibraltar's independence in terms of providing its own essential services, the cost of that political decision cannot be simply be said to be something that the direct consumers of those services have to meet. But as regards the subsidy element anyway, quite apart from having cleared up that point that I thought I should do, as regards the subsidy element let us not misunderstand the situation. And when we are talking about the subsidy it isn't in fact that the eight Hon Members that form the Government club together every 12 months to subsidise the rest of us, no, what we are doing is effectively subsidising ourselves. What is this subsidy element then? What is being said is that I as a taxpayer am being taxed in order to be subsidised as a consumer of electricity, so that to the extent that I pay less in electricity I pay more in tax. So it isn't a question of the Government subsidising the rest of us, it is a question of the Government deciding to what extent the cost of the service should be reflected in direct charges related to consumption and to what extent it should be related to payment in relation to income. I don't think one can go entirely along one road or the other, because as regards consumption clearly, one can have not just the case of the person that says, well since I don't have to pay for it, and I think this is a matter for concern in the use of public services, and in the employment in the public sector, and it is something, Mr Speaker, that worries me a great deal because I believe in a socialist system and I believe in the provision of public services and, therefore, it is important for me that the ordinary working man, the ordinary citizen, should not approach publicly owned

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things as if they belonged to nobody, and feel that because they are publicly owned they can be destroyed or they can abuse or nobody pays for it. Because the whole essence of public ownership is that it belongs to the community and that the community collectively should be conscious of its ownership. Therefore, not only do we have to take account of the odd case where somebody might say, well if I am not paying directly for the electricity I will leave all the lights on, but of course we also have to take into account the other very real case where a large household with a single income is bound to consume more electricity and bound to consume more water precisely because of its composition, and there, to my mind, it is perfectly correct and desirable and socially defensible that part of the cost should be met by other sectors of the community who are better off, who may consume less of that service. That there should be cost subsidisation in that respect. That, in fact, income tax as well being a fiscal instrument, as well as being a method of raising revenue, is a method for distributing revenue.

Last year when I failed to support the proposal of the Hon and Learned Leader of the Opposition to increase tax allowances by an additional £100, and I expected to be reminded of it in the House during the course of this budget but I haven't, but I know that I was reminded of it in a recent television programme where I think the Hon Peter asked the Hon Willie: "Well, what do you think?"

MR SPEAKER:

But we are not interested. Order.

HON J BOSSANO:

And he didn't say the Hon Joe, Mr Speaker, I was really upset about that! There the Hon Mr Scott said that surprisingly the GSLP had in fact, he said predictably the AACR had voted against it and surprisingly the GSLP had also done the same thing. Well, he can only be surprised if he didn't listen to what the Hon and Gallant Major Peliza said, because in fact at the time the Hon and Gallant Major Peliza said that the reason why I had not supported it was because

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ideologically I was committed to income tax. If the Hon Member checks the record of the Hansard he will find that this is the case. Let me therefore make quite clear, Mr Speaker, that I know as well as every other Member in the House does how popular it is politically to be in favour of reducing taxation. I believe that it is wrong in terms of working towards making Gibraltar a better place for all of us to live in, to tell people that they can all have more of everything and pay less. I think it is wrong for anybody that takes a political role seriously, and, therefore, I am not prepared to do it and my party is not prepared to do it. I would prefer myself personally to pay less tax and so would the bulk of working people in Gibraltar and I would support any way that this is done which does not result in a transfer, in the first instance, and I must make this clear, from direct to indirect taxation, because in fact that is what is happening elsewhere, this is the reason why I said last year that I do not support parity with the United Kingdom income tax structure. I was prepared to support it when it was totally unpopular, Mr Speaker. I was prepared to support it in 1965 as part of a political programme of the Integration movement, when supporting the UK income tax structure meant paying more tax, if that was the economic price that had to be paid to achieve a political objective. But now that this is no longer a case, when in fact the income tax structure in the UK has been a vicious attack on the standard of living of working people, a transfer of income in the wrong direction, from the less well paid to the better paid, I will resist any attempt to emulate that in Gibraltar. And it is not because I want taxes to be high or I like paying them but because I want to know if we are going to cut down taxes, where it is going to come from. I want to know whether we are saying the reserves are too high and we need to cut them, the services provided from the Government are too good and we need to reduce them, or the money is going to be found by some other form of taxation and then I want to know who is going to pay for that. It is only when the alternatives are spelt out that I can then take a political stand consistent with the philosophy of my party. And I would remind Honourable Members on this side that I said last year that I would vote in favour of the increased £100 allowance if the cost was put on an increase in income tax for the highest paid members of the community. If that was done I said I would support it last year and I would have supported it and I am still prepared to support it. So that should overcome the surprise of the Hon Mr Scott which he referred to on television.

Mr Speaker, within the context of Gibraltar's economic management and the development of a plan covering the next five years, the Government itself has made mention of the priority that is to be given to housing, and I think the Honourable and Gallant Major Peliza said that housing had to have the highest priority. And I think Mr Haynes in his contribution when he was saying, for example, that there was no difference in ideology between his party and the party in Government, that the only difference between them was in cost-effectiveness in that they would be better managers of the civil service presumably than the Government is, said that how could anybody have different ideas when it came to housing. Well, it would appear then that there is unanimity in the House that the highest priority should be given to Housing. If that is, indeed, the case, and it would appear to be so, then clearly we have an ideal situation to ensure that that priority is translated into reality, because we are all in agreement and we are all prepared to work together towards that objective. The Hon and Learned Chief Minister mentioned in 1978, page 216 of Hansard, that the achievement of the Housing target will require success in mobilisation of local savings to supplement ODM's contribution, and he said as an aside: "real needs have been identified and established as 460 units over a five years span". This was said in 1978. I don't know whether the net shortfall between supply and demand, I am assuming that this is the result of what one would call a matter of economic study, that is a study looking at the supply and the demand side of Gibraltar's housing need in its totality, whether this has been updated since then or not, but if we are talking about a net addition then, of course, we are talking about 460 new units over and above rehabilitation of existing houses or modernisation of existing houses. Because those are not a net addition to the total housing stock. Sometimes they are sometimes, in fact, they are a net reduction, so I think it is reasonable to assume that on average one cancels out the other and that although it is important to improve the quality of housing, it is a quantity that is the basic crying need today.

I think, Mr Speaker, that the Government should, therefore, with the support of the whole House, plan for the resolution of Gibraltar's problem within this five year economic plan. Within the period 1981/86 we should aim to resolve Gibraltar's housing problem taking into account the current situation and possible projections for those five years, and I don't think this is an impossible task. The position as I see it, Mr Speaker,....

HON CHIEF MINISTER:

If the Hon Member will give way. The element of public borrowing for the purpose is in fact being implemented to carry out the target, and that is why we have referred to the fact that our public debt will go up to £24m, because we are actually at this moment building houses with borrowed money.

HON J BORGANO:

I appreciate that this is the case, Mr Speaker, and I appreciate that in fact the expenditure on the Improvement and Development Fund in money terms has come up to the target level because the Gibraltar Government element in the Improvement and Development Fund, in fact, has been increased beyond what it was originally envisaged. I appreciate that this is the case, but I would remind the House that on previous occasions when we have been talking about the achievement of the Development Programme, I have drawn attention to the difference between targets in money terms, and targets in physical terms, because of course you can spend a lot of money, I mean, if St Jago's is going to cost us £2m instead of £1m we can say we are now spending £2m on housing. Yes, but of course, all we are doing is building the same houses for £2m that we thought we were going to build for £1m. That is not helping us to resolve the problem although we are spending more money, and I think that is one of the different pieces of the jigsaw that one needs to look at. One needs to look at what can only be described as prohibitively expensive housing today. When we are talking today, Mr Speaker, of building a Government flat for £40,000 and paying servicing costs on that £40,000 of £120 a week, we know that it is impossible to rent that house for £120 a week. And clearly if you rent it for £20, which would be considered by many already a fairly steep rent you still have to subsidise it to the extent of £100. It is not an easy problem but the will, the political will, appears to be today present in the House because both Government and the main Opposition party and myself are all saying the same thing, that this has to be given the highest priority, and, therefore, we should all be devoting our attention not to finding faults in the respective inabilities of each other to resolve the problem, but in trying to see what contribution one can make in finding a

solution. And my own view, and the view of my party, we had in fact a resolution passed at a general assembly to this effect is that we need a comprehensive housing policy for the public and the private sector. Because when we are talking about the total supply and demand situation one cannot leave any element out of it. One cannot ignore the fact, Mr Speaker, that in some respects Government's housing policy over the years has been benefitting people in the private sector who have been in need of rehousing for reasons of not very suitable accommodation or over-crowding or medical grounds or anything else, but even more in many areas, they have been benefitting the landlords of those properties, because I can tell the House that I know of a particular instance where somebody who was rehoused only three or four weeks ago by the Government, left a pre-war dwelling where the person was paying £5 rent and now the asking price is £2,500 key money and £12.50 rent. It is all very well to say it is illegal, but I can assure the House that it happens. It will be paid and the person paying it will not be prepared to come forward because there is no guarantee that they will not lose the house. And if they didn't need the house they wouldn't have paid in the first place. That is a serious omission in our legislation because we have got a law there that is a dead letter. We have got a law there that on the one hand is unfair to some landlords, we have got situations where you can have landlords of pre-war dwellings who are getting such a low rent that they cannot even afford to pay for the place to be painted, and the tenant may be considerably wealthier than the landlord. We have got situations where we have got landlords living in Government property and renting out their property at exorbitant rents, and, therefore, we have got a law that is fair to nobody. When it was originally drafted it might have been drafted with the best of intentions but I think there is a need to update this and to deal with private sector housing within a context of a five-year programme designed to meet Gibraltar's housing need. We have a situation today affecting immigrant workers.

Mr Speaker, where over the last few years the Government has been rehousing Gibraltarians from private sector dwellings into new Government housing, those private sector dwellings have been let to immigrant workers illegally as furnished accommodation, a matter that was pointed out in the 1975 City Plan, and here we are six years later and still nothing has been done to correct it, and now, partly because the housing situation has got

considerably worse and one has only got to look at the increase in the waiting list, the number of families on the waiting list which was 1,000 in 1975 and is 75% higher today, to realise how that has built over into demand for private sector houses as the only possible solution. And now private sector landlords, I'm not saying that this applies to all of them but it applies to a fair number, private sector landlords who are simply interested in extracting the maximum return for their property, and who are quite happy to get rid of Gibraltarians and put in immigrant workers five to a room, now are quite happy to get rid of the immigrant workers and put in a Gibraltarian family because a Gibraltarian family is now prepared to pay £20 a week and key money, and we are facing a situation where immigrant workers who have been living in places for 8 or 9 years are being given notice to quit. That can be a serious social problem for Gibraltar and it isn't an area that can be left uncontrolled. We cannot have the absurd situation where it seems that because there are different Government departments involved in different areas there is no coordination about what goes on. I think, Mr Speaker, that to have a situation, for example, like one has in the St Jago's Hostel where it is a Government building used by a private sector construction firm to house workers who are building a Girls' Comprehensive School, workers that are here because we need them to be here and where the situation there is that there are 40 men living in one room, in one barrack room, and all that there is in that room is 40 beds and each bed costs £7 a week to rent. Those men haven't even got a cupboard in which to put their clothes, they have to hang them on nails or on clothes lines. I think it is wrong that people who are indirectly employed by the Government, because the Government has given a contract, the Government should ensure that there are minimum standards met by the contractor that imports labour to carry out the Government contract. And I think it is absolutely wrong that those workers should be asked to pay £7 a week for a bed and shouldn't even be given the minimum facility of a locker in which to put their clothes. I think that needs investigation on the part of Government, and if one considers that simply across the road from that in Town Range the Government has just built cubicles where it is charging 85p a week rent, then one can understand that the immigrant worker thinks that there is discrimination as between the Gibraltarian worker and the immigrant worker, because within twenty yards of each other one is paying £7 a week

for one bed in a room with 40 beds and across from him there is a room for a married couple and the rent is 85p a week.

I put this, Mr Speaker, because although I tend to talk because I think that is essentially what the political role of Members of the House of Assembly should be, I tend to talk more in broad terms about economic policy and about political ideology, I have taken this opportunity to pick concrete examples because I don't think one should forget that when one is concerned with political ideology or with economic policies that can be translated down to direct effect on individual human beings. That is the essence of it. I don't think the House requires to be tied down with detailed analysis of every single penny that is spent, but I think when we are talking about a policy for housing, clearly the demand and the supply of accommodation for immigrant workers must be an integral part of such a policy, because one cannot forget that if there is no specific provision for immigrant workers then they are part of the demand side of the equation and they will be in competition with local families for the same limited number of units, and all that will happen will be that the people owning those units can get a much bigger return, and that the Gibraltarians will simply go on adding to the Government's housing list.

In that situation therefore, Mr Speaker, where we have an inflationary situation in property values created by an excessive demand, I think the Government should take a serious look at the question of taxing capital gains on property other than those of owner occupier. I think when you have got a situation where the value of the property simply goes up, not because the property is being improved but simply because there is a shortfall in the supply of housing and the unsatisfied demand is pushing up rents, and the capital value is being worked out simply as the rent being a rate of return, so that in fact if you have got a property that is worth £20,000 and producing £2,000, if tomorrow you can charge a rent of £4,000 then you still work out that that is 10% of what the property is worth and now the property has gone up from £20,000 to £40,000. To the extent that that is happening then I think the Government should seriously consider introducing taxation on capital gains, and I would say that.....

HON CHIEF MINISTER:

It will not cure the evil that is being mentioned, it would just make the Government a party to an illegality.

HON J SOGGANO:

Mr Speaker, I think if we cannot stop the property changing hands at inflated prices then it is preferable that part of that inflated price should go towards the benefit of the whole community rather than to the person that is sitting on the property in the first instance, but in any case since I am not suggesting this purely as a fiscal revenue raising measure, then I think that, in fact, the economic incentive should be that part of the tax should be avoidable provided the money is ploughed back, say, in new construction, so that one could then provide a disincentive towards speculative gains on property where the money is just taken out of Gibraltar, taken out of the economy, and an incentive to reinvestment. Because I think part of our tax structure should be designed in order to encourage investment in property because it is important in my view to ensure that as well as publicly owned houses we have privately owned houses and owner occupation. I think, if we look at the situation today in Gibraltar we already have 75% of the total housing stock publicly owned. We have to take fundamentally one or two roads, as I see it, Mr Speaker, either we say we don't believe in private ownership at all, in which case every one will live in a publicly owned house and then in looking at the rent structure we would probably need to go along the path of charging people according to their means and not according to the house that they live in, and then we come across the problem of the quality of different types of houses, of different areas and so on, alternately we say that we should encourage owner-occupation but that the Government must have a substantial housing stock to ensure those who do not wish or who cannot afford to provide for themselves to be provided for by the state. Already we have, as I say, 75% of the housing stock in publicly owned hands, and it is quite obvious that the occupation of that housing stock bears no relation to income or need or anything else, it is just pot luck whether you happen to be very wealthy and living in a house with a very low rent or very poor and living in a house with a high rent. There is no logic

to that, there is no economic justification for that, and there is no morality involved in that. And when you have got people who are paying extremely high rents and on top of that paying taxes to subsidise people who are better off than they are and paying less rent, it is clearly something we need to put right, and I would put it to the House, Mr Speaker, that I have devoted a lot of time out of my contribution to housing because I was glad to see that the emphasis was being given by both sides of the House to the question of housing provision as a top priority, and I would put it to the House that we should tackle the problem with all the energy required and attempt genuinely to produce a solution within this five-year plan that the Government has mentioned it is developing.

In fact, the estimates of expenditure, as we have been told, do not contain details of the Government's intentions as regards the new development programme. Clearly the explanation that has been given by the Minister for Economic Development is that they do not wish to prejudice or prejudge the result of the aid talks with the United Kingdom. However, it must be obvious that the actual predictions for the out-turn of the economy for 1981/82 are bound to be in a very large measure determined by the extent of capital works being carried out. We have a situation where without anything from the new development programme we are talking about expenditure of £15½m, just over £15½m in the Improvement and Development Fund. This looks a substantial increase over the year that we have just finished, and we have had £10½m but, of course, a large part of this is the power generation where the multiplier effect in the economy is low because we are just paying for equipment and it is going straight out of the economy as opposed to labour intensive construction works where the spending power of the workers involved in a construction project in turn generates economic activity. Therefore, I would like the Financial and Development Secretary or the Chief Minister to tell us whether the estimates, and I assume they have been built on that basis, whether the estimates are built on the assumption that it is this level of economic activity that we are looking at and that there is no provision included for a possible increase here as regards the question of the aid programme. And, therefore, Mr Speaker, the Honourable and Learned Leader of the Opposition said that he had heard from a reliable source that the aid talks were not taking place until the end of the year. So, in fact, are we really talking about the

1981/86 Development Programme or are we talking about the 1982/87 Development Programme?

HON P J ISOLA:

If the Hon Member will give way. I believe there are two things going on that are in the next Development Programme going on currently, that is, the Power Station and the International Subscriber Dialling. That I think is part of the next Development Programme so that is on and that is in this year's estimates.

HON J BOSSANO:

But that is financed by us. An important factor of the contents of the Development Programme is that development programme or no Development Programme, if we have to borrow the money and spend it ourselves then really the only constraint is our ability to pay for it. And provided we can raise the money and invest it and increase economic activity then I think the Government should do this, because I believe that in planning for economic expansion sufficient revenue is generated through the multiplier effect on the economy, so that the net cost is considerably lower than what it appeared before. This is one of the great dividing lines today, for example, in the running of the UK economy, where many people believe that the UK economy is on a downwards spiral precisely because what is needed are not further deflationary policies but reflationary policies particularly linked to a public works programme which in turn will reduce the public sector borrowing requirements because they will increase tax yield and cut down on things like unemployment benefits.

To the extent that we are planning for a substantial increase in our borrowing requirement we are in fact at odds with the rest of the Western capitalist world, we are still doing what has been done since the war by everybody else but what everybody else seems to be intent on stopping, but of course a vital important part for us is that the beneficial effects of grant aided projects is even greater because then we not only have the multiplier effect but we are not paying for it so it is in fact a net gain the same as our invisible exports to the UK Departments and the same

as our invisible exports in the tourist industry. It is money coming in to our economy, and to the extent that there will be no additions, then I think one must treat the economic situation as basically reflecting the picture presented in the estimates and, therefore I take it, Mr Speaker, that without wanting to suggest, because I don't want anything I say in this House to be taken by the British Government as an indication that they don't have to produce the cash this year or give us help this year, but I take it that it would not be too much of a surprise if we see the impact of the new Development Programme really beginning to take effect towards the end of the financial year and really being reflected in the estimates for the following financial year. And consequently I think that it is only when we know precisely what is going to happen with that programme that we can really think of the precise and detailed nature of the five-year plan for the economy of Gibraltar, when we know to what extent we will have to finance that plan and to what extent we are getting grant aided income.

And I feel, therefore, Mr Speaker, that I cannot go any further into an analysis of that plan or in suggesting anything in its context until that stage is passed. I hope that the Government is successful in obtaining substantial grant aid from the UK Government because I think it is very important for Gibraltar. It is particularly important that we should give an impetus to the economy for the fundamental reasons mentioned by the Minister for Economic Development, that Gibraltar's long term economic viability is the strongest guarantee that we can have of our political independence, using the word 'independence' in inverted commas in case it should be misjudged! Our political independence to be able to produce our own philosophy, our own ideas, how we want to go in Gibraltar without being subjected to the constraints imposed by Her Majesty's Government, if they are providing the cash and they don't agree with the way we are spending it. Therefore, I think Gibraltar's economic long term future is vitally important for Gibraltar's future long term political security. And it is of essence that we should understand it in the House and that we should project that to the outside of the House of Assembly and that the whole of the community should understand that that must take precedence over every other consideration. Because in this we are working towards that long term objective really, we are only wasting our time quarrelling with each other about how best to run affairs

in Gibraltar if it is not going to be there for us to enjoy and for our children and descendants to enjoy.

Mr Speaker, before I come to the question of the programme of the economic plan I think one important area is the question of reclamation that the Government has mentioned. I think the reclamation project that they have mentioned clearly, having been recommended by the Port Feasibility Study and the DP3G a year ago, and with all due respects to the DP3G I hope they won't mind me saying that I think the expertise of the Port Feasibility Study will carry more weight with me than the fact that they recommended this a year ago. I mean they might want to do it because they were politically committed to it but if they have in fact commissioned experts who have told them not to do it I am sure they would say, well if that is what the expert says we will go along with it. Now, I think it is equally important to seriously consider the reclamation of the Montagu Basin. The area between the new Girls' Comprehensive School and the Varyl Begg Estate is an area that is very shallow. I know that this is something that experts in the department itself have been talking about for many years, and the cost of reclaiming this area would be extremely low. It would provide an immediate short term solution if part of the area was allocated to the Varyl Begg Estate for extra parking space. The Minister for Public Works in fact promised the Tenant's Association that this would be done in the reclamation on the other side, by the Viaduct, but in fact that is something like five years away, and you know, the parking problem in the estate has got to impossible proportions. I am not suggesting this primarily for that reason, I am saying that this is in fact an obvious impact that it would have in a problem area and the Tenant's Association supports the idea of this being reclaimed.

I also think that we have got a serious pollution problem there which makes using that area as a bathing area a health hazard, and that with the Girls' School being built there now, it is an opportune moment to consider reclaiming it. It is extremely shallow and would cost very little if part of the debris that is being tipped at the side of the distiller was diverted there and it would be better to think of doing it before the school is in occupation rather than after, and I think

it will be something that will have to be done eventually anyway. So I would strongly urge the Government to consider this possibility and to consider doing it quickly because the cost is so low that it is not something that needs to be left dependant on UK aid. I mean, in that case of the major reclamation project for the roll-on, roll-off ferry we are talking about a £4m project, here we are talking about reclamation at really negligible cost.

The other point that I would like to make on the question of economic planning is the point that was made by the Honourable and Gallant Major Dellipiani in his contribution regarding the provision of nursery facilities. He linked this in fact with the encouragement of greater female employment in Gibraltar. I think this should be another fundamental element in the Government's economic plan. We have, unusually for Western Europe, very low activity rates amongst women in the economically active age range, between 20 and 45. I think we have something like 25% as opposed to something like 45% which is the Western European average. And part of the reason in my judgement - there may be a cultural blockage if one may put it that way towards women in employment but that is something that is changing and I think there is an answer despite demands for jobs there and - part of the problem is the lack of provision of nursery facilities. I think there are also sound educational reasons in fact for introducing pre-school nursery education particularly because our educational system is in English, many come from Spanish speaking homes, and they start school at a disadvantage. I think sufficient research has been done in bi-lingual communities to show that some times it is difficult to test non-verbal IQ and that language disadvantages are reflected in performance, and leads in fact to lower academic achievement which could be corrected and people could be given that greater opportunity if that is taken into account. I think that by providing pre-school nursery education and introducing the child at an earlier stage to the language that is going to be the transmission of the educational system has got sound educational advantages, but in any case I think it is defensible, the expenditure is defensible, on economic grounds in the advantage that results from providing an increase in the female supply of labour in our labour force, which ensures that a greater proportion of the money generated is spent in Gibraltar and makes us less dependant on immigrant workers. I am not suggesting that the existing immigrant labour force should be replaced forcibly but we have a natural rate of wastage and we have got a situation where since 1973, Mr Speaker, we have had a Manpower Planning Committee whose terms of reference are in

fact to make Gibraltar self-sufficient on labour. We are no nearer doing that in 1981 than we were in 1973 when I joined the Committee because we are still approving the same quota four times a year for the last nine years, except for the last meeting when I managed to cut it down by 100.

I am glad that the Honourable Minister for Labour and Social Security and Education made the point because I think it is an area which spans both the responsibilities that he has, in an area of educational value and an area of important use of and planning of the labour force in Gibraltar, and I would commend Government to have this as one of the elements in their economic plans, consider it as something specific which forms an integral part of the plan because to translate the broad objectives of the plan into concrete realities I think the Government needs to look at planning of labour, planning of investments, planning of home-ownership and building of homes and then put all those things together. I think that is the stage into which the objectives that have been spelt out by the Minister for Economic Development need to be taken next.

Mr Speaker, on the question of the income tax structure I look forward, as the Leader of the Opposition does, in seeing what the Government is going to give back to the oppressed people of Gibraltar, as he put it, but I would put it to the Government that there is one area of the 'oppressed' people of Gibraltar that do not have a vote, which is the very substantial immigrant labour force in Gibraltar of 3,500 who are wage-earners and who are tax-payers and who feel that the restructuring of income tax that took place in 1979 put them at a disadvantage as compared to other taxpayers. I think the Government should consider, if they are not going to make a move on Family Allowances this year, and I am not sure but from the figures of the Estimates it would appear that they are not envisaging an increase in Family Allowance, the possibility of at least restoring the tax allowance for children at the level that it was prior to 1979. I think that the 1979 restructuring, effectively, for many lower income groups in Gibraltar, for the average wage-earner in Gibraltar, if anything provided a net gain, but certainly not for the immigrant working population. As I say they represent 55% of our industrial labour force, they represent 33% of the total labour force of Gibraltar, and I think that sometimes we tend to forget that they have

got legitimate aspirations and they are also entitled to have their grievances listened to by us in the House of Assembly, even if they have no direct voice here because they are not entitled to vote. They are not asking to be entitled to vote but I think that they are asking that attention should be drawn to the problems that affect them and this is why, Mr Speaker, I am making a point of bringing the attention of the House, and of the Government in particular, to this in the context of their proposed restructuring of income tax and also in the context of the housing problem with reference to hostel accommodation.

Thank you, Mr Speaker.

MR SPEAKER:

Well, we have only got another, I reckon, twelve minutes to go. The next thing I have to do is to invite the Chief Minister to reply unless.... Yes, most certainly, Mr Abecasis.

HON J ABECASIS:

Mr Speaker, I am very happy to be able to be present during this year's budget session and to make a small contribution to the proceedings, but I will be very brief, as although I feel much better I am not yet fully recovered. I also look forward, however, to even greater participation, please God, next year.

First of all, Sir, I would like with your permission to thank all those who come to see me at the hospital and to the hundreds of people who have approached me in the street to say how very pleased they were to see me almost fit in such a relatively short time. To all of them I would like to say how very grateful I am for their kindness and their prayers. I would also like to give my thanks to you, Sir, to the Chief Minister, to the Leader of the Opposition and to all my colleagues on both sides of the House and especially, Sir, to the Honourable Mr Zammit for having looked after my two ministries.

May I also say, thank you, to the doctors, the sisters, the nurses both male and female staff, and at the

some time add my gratitude to Glasgow, Scotland, for their first attention to me for what I am told was a serious and dangerous accident.

One thing which is abundantly clear to me following the debate is that Gibraltar's economic strength reflected in Government's improving financial position is a matter for satisfaction. Our ability to hold our heads high after eleven years of economic siege should also stand us in good stead to resist any further pressures that may arise over the coming years.

Thank you, Sir.

MR SPEAKER:

May I congratulate the Honourable Member on his excellent recovery and delivery today of your first speech after your illness.

We will now recess until tomorrow morning at 9.15 a.m.

The House recessed at 5.00 p.m.

FRIDAY THE 24TH APRIL, 1981.

The House resumed at 9.20 a.m.

MR SPEAKER:

I will now call on the Chief Minister.

HON CHIEF MINISTER:

Mr Speaker, I am sorry that the time for adjournment came yesterday just as the Honourable Mr Bossano finished his remarks because whilst they were clear in one's mind, and they were constructive, I would have wanted to deal with one or two. He was kind enough to allow me to interrupt once or twice to make one or two points clear.

Mr Speaker, I propose to deal with the main matters that have been raised during the course of the debate. Mr Restano in his opening remarks raised his hardy annual about the statement I made in 1977 on the question of possible legislation to compel banks to keep part of their earnings in Gibraltar. I thought he had at last taken note when I told him that the conditions had changed and this had now been abandoned. I told him, and perhaps he could remember now, that when he came to next years he would look up the question and ask it again. But anyhow he does not seem to take great care to keep in mind what has been said, and I will just say that it is a poor performance when he has to have recourse to matters which have been dealt with already. That did strike me as being the high mark of his intervention this year.

He talked about parity of wages and parity of taxation. Well, I think that matter was dealt with by the Hon Mr Bossano in a way but I think I ought to highlight one matter which has not been raised in the course of the debate, and which is I think a matter for congratulation for everyone. And that is the way in which we have kept the increase in the cost of living low. There are, of course a number of reasons for that but one particular reason was highlighted in some remarks made by Mr Bossano last night. Since we compared to the United Kingdom why should the cost of living in Gibraltar not be as high as in the United Kingdom. Well, the point is that in the United Kingdom they still have the VAT at 15% and that makes a considerable difference, apart from the fact of course that we keep and monitor, through the element of Price Control in essential commodities the margins of profit in Gibraltar, which also have a great effect on that. And that is something which I think ought to be looked at against the background of this question of parity of taxes. You cannot say parity of income tax alone, you have to say parity of taxes if we are going to have parity at all. Indeed this year, as was pointed out yesterday, the accent of taxation in England has been that those in the lower income group have not benefitted while those in the higher income group have, and we hope that not only now but when our proposals for income tax are considered, the changes in income tax will be seen that it will be the people who earn less are the people who should pay less. This is how our measures have been thought out.

The one point I don't want to labour very much, because

I know it is not an easy one to deal with, but insofar he refers to the Auditor's Report and the fact that there is a long statement in the Auditor's Report about the question of the staff, looked at broadly from the point of view of the administration the position is that every department, every Head of Department, makes a case for increased staff and they are all regulated by staff inspection. The fact that the Auditor makes a report on the accounts and takes advantage of that to make his own plea there really puts him in a privileged position over and above other heads of departments who have no means of making their views public. The Audit Department is not limited by parity it is limited by the same measure to which it is limited in other departments, that is, by means of staff inspection reports. If we are going to have any faith in staff inspection reports then of course we must do that uniformly and not just in respect of those who have not got the ability or the opportunity of bringing to the public eye their own views. There are many departments who have grievances about their staff and how much they could do with much more staff, and this is precisely where the Government has got to monitor the whole area of public service in order to keep it within reasonable bounds. What happens is that if in fact there is a case after a time another staff inspection is ordered, but that is all. The fact that the Auditor has an opportunity of making a statement in the Public Accounts Committee has nothing whatsoever to do with his functions. His functions are to audit the accounts and to make comments, but that, together with all other Heads of Department's representations, will be taken into account when there is a rehash or a review of staff inspection.

HON G T RESTAND:

I don't think the Principal Auditor has in fact mentioned that in the Public Accounts Committee, it is only in his report.

HON CHIEF MINISTER:

Did I say the Public Accounts Committee? I didn't mean the Public Accounts Committee I meant in his report on the accounts. In fact that would be a good area if I may suggest to probe a little into his report in the Public

Accounts Committee, because he is as much answerable for his staff in the Public Accounts Committee as any other Head of Department is. He may be in the privileged position in so far as he helps the Public Accounts Committee in respect of the presentation and his comments, and I am sure that he must be a great help, but he can also be brought to account there to find out and give reasons rather than in a public report. Anyhow this is only by way of comment and what I want to say is that he is no better or no worse, and what I want to make quite clear is that if there is any attempt, and this is nothing to do with the remarks of the Honourable Member, but this has highlighted it, but if there is any attempt in the remarks, and I am not saying that there is, if there is any attempt in the remarks to suggest that because he hasn't got enough staff he cannot do his duties, then that is completely unwarranted. That particular statement in that particular report is particularly important.

One point that has been made generally which three of the Honourable Members have raised, is the question of - I will come back to the state of our finances and the question of the level of our reserves - but one particular point that I would like to make in general terms because it has been discussed by quite a number of members is the fact that if our surpluses are very high the British Government will not be so inclined to help us in ODA. Well, my experience is completely the opposite. Apart from the current difficult almost savage cuts that have been taking place in the United Kingdom, and the difficulties generally with regard to the economy, which as I stated in my introduction to the Estimates must be taken into account, we would not be realistic if we thought they would not, my experience in three or four talks on development programmes is that it is those who husband and look after their affairs and show that they are helping themselves who have a better chance of being helped, particularly when it comes to the aspect of these matters which contain an element of political support, as it is in our budget. In one set of circumstances we had to satisfy in the Aid Discussions that rents would be increased to a more realistic level than they were because in fact what they were saying was that they could be giving money for us to build houses for people to pay very little rent when they could pay a little more. In fact they were impressed at the subsequent meeting when we carried out the commitment that we had taken that we would make people pay realistic rents. And let me say that they did not say that for the sake of getting their money back because the rent comes into our pocket, despite the fact that some houses are built with development aid. It is in order that there should be a

level balance in that help and the contribution people should make. That is one aspect in which we found that it is only by helping ourselves that we get more support.

The other one is the question of taxation. At times when we were in the 1972 preliminary talks with the then Governor, Sir Varyl Begg, the question of taxation which was then pretty low in Gibraltar was raised, and the question again was raised: do you expect us in this country when we are paying - and at that time it was the Labour Government I think - do you expect us in this country where we are paying a very high level of taxation that we should be giving you help when your taxation is so low and in fact it does not give you enough money to maintain without substantial increases the assets that we present to you. So again, to say that we would be in a better position if we went in a poorer condition to Britain is complete nonsense: in fact we would be in a worse position generally and overall ODA help or not, and I am sure that we will continue to get some help, financially from the point of view political pressures the stronger our economy is the stronger we can hold out on our own merits generally, and it is significant that except for one or two once-and-for-all grants that were given at the very beginning of these restrictions, that we have never had or never sought any budgetary aid and that all that we have been given is ODA assistance. We did ask in one instance for help, after a considerable number of pressures from the other side that we should seek help in order not to increase the electricity and so on, in one particular case I made a special case and it was turned down, and I was not surprised that it was turned down.

HON F J ISOLA:

Is the Chief Minister saying that because of the pressure of the Opposition the Government asked for aid, otherwise they wouldn't have done it.

HON CHIEF MINISTER:

No, I did not say that. I said despite the fact that we had had a lot of pressure from the Opposition we had refused and the record of Hansards will say we have refused to go begging for aid for the budget.

HON F J ISOLA:

But that is what Government did.

HON CHIEF MINISTER:

No, no, I am not going to be interrupted. I am prepared to give way once or twice but I am not going to be interrupted.

MR SPEAKER:

We must be careful of one thing, that on the reply we must not raise matters which have not been raised in debate, because that is the rule.

HON CHIEF MINISTER:

Mr Speaker, as far as I am concerned I am saying that in the context of the fact that we are being told that because we are well off we will not get help. I am saying that when we had pressures previously we resisted then. On one occasion I thought we had good grounds to seek help and it was not allowed. I now go on to say that that shows you how necessary it is to have our finances healthy in order to be able not to be in a position such as like that, and in order to be able to harness our resources in such a way that we can make do, with the help of Britain, in one form or another, but without pressures or worries about our day-to-day functioning of Government. That is why it is inconceivable that the fact that we are in a good position is likely to prejudice our ODA talks. Of course it will be said you are doing well and we will say, yes, of course we are doing well, but there are many distortions in the economy created by years of closed-frontier and restrictions and if and when the frontier opens this will have to be put right, in addition to the fact that we are not going to go to the aid talks at the end of the year as I understand it, but in any case I do not think that the frontier will open before we go to the talks. I may be mistaken but I do not think that.

The other points that I want to make. The Honourable and

Gallant Major Peliza used the terms yesterday which are now used every day about Mrs Thatcher, he brings it in from the United Kingdom, about U-turn and no U-turns. I will prove later on that there have been no U-turns at all in the question of the budget, but one point which was made was that we had made a U-turn in respect of aid to hotels. We haven't. What we have said, and the later stages in these proceedings will show, is that we are making this year a real effort to show our concern for tourism not only in respect of this question of a once-and-for-all grant about the increase in the price of water but in other respects that will come clearer later on and as a real effort and indication of our concern for tourism. This time the subsidy can be really identified. What was before required is that we should have a special rate for hotels when indeed there were quite a number of other undertakings which were paying the real price. This time we are able to identify the increase to the hotels in respect of increase and it will appear; whether it appears under one head or it appears under another it matters little. It is a clear subsidy to the hotels and not just a special treatment which cannot be identified and then to be told that nothing is being done for them. So that really there is no U-turn.

One point made I think by the Honourable Major Peliza which surprised me considerably was that the Public Works Department was a very big department and should be split up. He was responsible for the virtual absorption and taking over without any preparation, without any thinking of the old City Engineer's Department when he came into office in 1969 under the guise of the merger between the City Council and the Government.

No, I am not going to give way now. I will finish what I am saying and then he can say what he likes.

That was a honeyed take over, it wasn't a merger, there was no planning and it was chaos, and it was chaos for a long time after, and that is still suffering its consequences. This take over completely of one department by another without any planning whatsoever, making the life of the City Engineer so impossible that he has to go, and no plans made whatsoever for taking over or merging the department as was intended. It was a complete swallowing up of the City Engineer's Department without planning, for which we are still suffering. Now I am prepared to give way.

HON MAJOR R J PELIZA:

Mr Speaker, I think the Chief Minister knows very well that the merger was not something that I invented, this was all part of the Constitutional Conference which was agreed under the new Constitution and the House of Assembly. This is in fact why we do not have a City Council. That has nothing to do with me. Now, obviously because we were in Government at the time, we implemented what was agreed at the Constitutional Conference. If the Chief Minister says that we created chaos, alright I am not going to say that we did, but even if we did create chaos in 69-72, Mr Speaker, it is nearly 10 years now since then. It has taken a long time for the Chief Minister to clear that chaos.

HON CHIEF MINISTER:

I am not saying that I am clearing it. I don't say that it is necessary. The report will show what has to be done in the department, this is why we have had an inquiry. And if the Honourable Member gives me less than credit for crediting him with a little intelligence, of course I know that that was part of the merger, of course I know that both organisations had to merge, that was clear from the Constitution. But what I am saying is that when he did it, the swallowing up, the hurry, the lack of planning, the way in which everything that smelt of the City Council was swept out of the picture of Gibraltar, it was done in order to sweep out all that we had done over the years because it did credit to the AACR. That was his thinking and we have suffered from that for a long time. That is what I am accusing him of, not because it had to be. It had to be a merger but not a take-over and that is what it was, a takeover and not a merger.

We have also talked about the question of density of land and the maximum use of land: coming from people who are responsible for the giving out of what is now called "millionaires row" at Gardiner's Road. That was issued for development by the administration of the glorious 2 years and 10 months, to one developer! All of it. And the density of this can be seen by anyone who passes through there. I am not saying for one moment that that was right or wrong. There are areas where people will not develop unless they are going to have an

element of privacy. Of course there are. We haven't reached the stage now where we are going to have the whole of Gibraltar made into tenement buildings

HON MAJOR R J PELIZA:

If the Honourable Member will give way.

HON CHIEF MINISTER:

No, I am not going to give way for the time being. His Government was responsible, and not only for the development and there is the proof of it, what is the density there, what is the density there? The lowest I am sure in Gibraltar that has been built since after the war. The lowest. Not only that, they made the very great mistake of giving it to one developer, who has given us endless trouble because the way in which the matter was done it was very difficult for people to acquire titles because the whole development has to be finished before anything could be done. It is true that many people who are accommodated are that many less people who are clamouring for Government accommodation. In that respect it is perfectly far proper and I would not have raised any problem about the way in which this has been developed except that when it comes to another site they say: oh, that is very densely developed. There is no question about density, density is not practical in Gibraltar. Where I live you could have eight houses, you could have 25 houses, a tenement building, a patio. Well, certainly that didn't apply to Gardiner's Road and nobody would have developed in Gardiner's Road on that basis, I can assure the Honourable Member.

Now, Mr Speaker, I come to the winding up of the Leader of the Opposition. He spoke about the role of the Opposition. Well his attitude reminds me of the story of an old man who had quite a number of children, all of whom were married, and every time one of his daughters or daughters-in-law became pregnant, he would go and write behind one door, in chalk, "girl" and behind another door "boy", and then he said, oh I know what you are going to have. I won't tell you. And when the mother had a boy he would go and open the door and say there you are I wrote 'boy', but he didn't say

he had written 'girl' on the other one. This is what happens with the Opposition. They keep on telling us what we have to do, they don't remember when they say something that has turned completely sour on them, and they only say: well we told you this in this respect. For example, we are now told that they told us last year that we were going to have too much money. What did the Honourable the Leader of the Opposition say in 1979 about money? What did he say about the state of our finances? I will remind him. It is always helpful.

On page 302 of the Hansard of 1979, he said "It is interesting that the actual revised balance, the revised reserves for Gibraltar, as at 31 March 1979 are estimated as only £307,911, which, Mr Speaker, with the aid of my calculator is exactly 3.94 days working capital. Of course the Government is in trouble and of course the accusation made by my Honourable and Gallant Friend that there has been bad management is fully justified." And then he goes on "Why has it come to this? Who is responsible. It can only be the Government, it cannot be the Opposition". Then, the Government was responsible, now the Opposition is responsible for the state of our finances. And then it goes on "so, Mr Speaker, on the estimates of the general picture on the important page which is paragraph 5 it is quite clear that the Government despite quite a number of taxes that we have had in the last few years have had to allow the reserves to dwindle and dwindle and dwindle to an extent that it has not got working capital. Now it has got to raise revenue to try and bring up the reserve, and I suppose when one sees that it will cost the Government £78,000 a day to run Gibraltar, I suppose they would need at least, one would have thought, one month's reserve, and that means that they would have to raise £2.3m just to have one month's reserve. So it looks as if the Government is going to risk it for a year and hope things go better for them". Well, we have not done that, we didn't do it in 1979, we didn't do it in 1980, and we are not doing it now.

HON P J ISOLA:

If the Honourable Chief Minister will give way. The Government on its own estimating, which proved to be wrong, did it in 1979. The outturn was different because their estimating was wrong. But they did do it.

HON CHIEF MINISTER:

We did do it, of course, but if it was our fault that the reserve had been badly calculated, they came down, then it is to our credit that we put the things right and we now have a very handsome balance. And that is something that the Opposition must swallow, whatever they may say.

And insofar as the question of reserves is concerned, of course here again this is all very well when you are in the Opposition to speak one language and when you are in Government you speak another language. Speaking in the 1972 - and I have to remind the Honourable Member every year that we do well - speaking in the 1972 budget the then Chief Minister said "I now come to this House to say that as it looks today the revenue balance of reserve will be £1.4m. This is after putting £300,000 into the Improvement and Development Fund. So in fact if we had not done that and we had wanted to show this as a reserve, we would have had £1.7m in reserve, an astronomical figure for Gibraltar, never having been reached before. What surprises me is that this, which in my view is a highlight of these estimates, has not really been made public yet and the things I have seen so far in the Gibraltar Chronicle, nothing else has been done. I haven't even heard the figure on television or on radio. I just cannot understand this because it was printed in the speech that was given by the Financial and Development Secretary. Now there are no excuses for not bringing to the notice of the people of Gibraltar this great achievement which is bound to heighten the morale of the people who have been suffering for so many years." That was on a budget of £3m, £1.7m. This is the Hansard of the 27th March, 1972. I was quoting from it, and I will continue to quote it every time. Fortunately we shall be here with high reserves to answer for that, when the budget at that time was £3m and he was proud of having exactly half of the budget as reserves, £1.7m. Jubilant and the people haven't any notice of it. He was very indignant about it. £1.7m in a budget of £3m. And he was so jubilant and the people of Gibraltar had not taken note of the great things that Major Peliza had brought to Gibraltar. And when we come with a reserve of £8m which is related to a budget of £40 millions it is said we have been accumulating money unnecessarily and taxing the people unnecessarily. That is not the case. People have been taxed and because the result are better than anticipated, and any Government whose performance whose administration provides more money than it

anticipated in the Estimates is a good Government. That is what has happened in this case, that the results have been better than anticipated. When we make the measures this year we will say: Ah, you are going to get more money, if you are going to give X give X + X and they say then next year they will say alright. Of course they are in the comfortable position of not having the responsibility of power but only the pleasure of coming here to talk about giving the people many more things and making them pay much less than they are paying now. That unfortunately or fortunately could only be proved in the performance, but I think that they will have to wait a very long time before they have a chance, if ever, to prove that in the performance of their taking office in this House.

The results are comfortable, the results give us a measure of considerable strength, nationally, if you want to put it that way, in the sense of our survival, in the teeth of restrictions that were made to cripple us. The results show that our administration is good, that the income tax is coming from areas which were taking longer to collect before, and as the Honourable Mr Bossano said quite rightly, that was one of the major justified complaints of the Trade Union movement, that they were paying their taxes every week and others were taking a long time. That is true. That was true. And that may be true still to a certain extent. And as I said, not only have we improved in the collection but we will continue to do that and we will continue to support the department of the Commissioner of Income Tax in its independent method of collecting, which is his own, but I can say that the manner of collection today is almost perfect in one sense. I paid a rather high sum that I owed on income tax a month ahead of time in order not to forget, but there was one minor one of about £28 or £29 that I clean forgot about and it was due on the 27th February; and on the 28th February I had a letter in the post with the necessary penalty for not having paid that on the due date. That shows how closely payments that are due are followed up by the Department and that is the result why we have got £1½m. more. The last figure of £110,000 was not included and arose out of that method of collecting tax. And that makes it easier to be able to gauge what taxation can come out of a year overall, and makes it less uncomfortable or at least less unpleasant I would say for those who have to pay their weekly taxation deducted from their pay. And let me say, too, to what the Honourable Mr Bossano has said, that that does not only affect workers, it affects white-collar workers, it affects a lot of people in executive positions who are

paid by the month, but they are all entitled to the same grievance, and that is that for as long as other people are given a time limit in which to pay they should be given the shortest time possible in order that the money comes soon, because money that is due to us has got to be supplemented by borrowing and paying interest on it and burdening the general body of taxpayers in Gibraltar.

The Honourable the Leader of the Opposition towards the end of his speech yesterday made reference to the fact that in industrial relations we do not give information to the public, and he referred to the recent dispute with the refuse collectors. He went on to speak about the electricity to which I will come in a moment. I would like to remind the Hon Member, and I think that as a result of action taken a little time ago Honourable Members receive copies of Press Releases individually so that they do not have to look at the press for it, in respect of the ..... No? Well I am very sorry about that, and I can assure members opposite that I did give directions some time ago that press releases of importance should be circulated to Honourable Members. I am very glad that this has been brought out because I did give directions that press releases of importance should be given to Honourable Members opposite, and I am glad that my mention of that has brought this to my notice because that was my understanding, but in any case . . . . .

HON P J ISOLA:

We are receiving press releases relating to questions in Parliament on Foreign Affairs.

HON CHIEF MINISTER:

I am sorry. I did say at one stage that you should get press releases and I will see that that will happen now. But, anyhow, I am quite sure as the Honourable Member has said he reads all the press so I am sure that he knows, but let me answer one particular question in that respect with regard to the original problems of the refuse collectors' industrial actions. We published a statement on the 30th January about statements that have appeared attributable to the men in the dispute but not to the Union, that we were refusing to negotiate and on the 30th January - I am sorry the first one was on the 23rd January where we told the people "Industrial action by refuse collectors. The Government was informed by the

Transport and General Workers Union this afternoon that the refuse collectors will be taking industrial action etc," and they stated the point, and we said "the Government recognise there may be a case for an improved productivity agreement in conjunction with improved service", but we could not change the question of the 7-day week. We issued a communique on the 23rd of January and then, "the effect of that action is likely to be that trade refuse will accumulate in town and there may be inconvenience to the public in this respect. Traders are requested not to deposit trade refuse but to make alternative arrangements etc." On the 30th January, following on statements which had been made by the men themselves, we said that the statements were not true: "It is not Government that is refusing to negotiate but the Union who had a meeting held on the 23rd January stating that they had a mandate not to negotiate until the 7-day week was agreed to. Government is ready at any time to discuss the problem..." and then we went on, "the refuse collectors are only asked to work the same number of hours....", everything was explained in a rather long communique and then on the 5th February, "It is nearly two weeks since the refuse collectors started industrial action and the accumulation of rubbish etc..." and we kept the people fully informed. That was one.

On the second one, which is now the current one, we issued a communique on the 10th April: "The Government has received a claim from drivers and labourers who are rostered to work with the refuse recovery vehicles..." and then stated the gist of the dispute, and then, "the public are reminded" and so on. And then yesterday we issued the Environmental Health Department communique which is in this morning's paper. So that in matters which are really of public concern, the issues of which are clearly seen, we give information, apart from the information we give to the media who ask particular questions. Sometimes the answers are not particularly newsworthy even if we give information about industrial action and so on, and sometimes the answers are not published. Perhaps because they are not of sufficient public interest but the media is also given full information of any industrial action.

There are cases of course in which industrial action is going on, and negotiations are going on and to make a statement at such a time could well prejudice the outcome of the negotiation. For as long as the Government is in negotiation with any particular Union in respect of any problem, and there is a chance of the matter being settled and so on, it would be

invidious for the Government to be issuing Press Releases to give information of industrial action which might tend to prolong it rather than to solve it.

The other point that I wanted to raise was this question of PWD enquiry. I did mention it by intervening on two occasions, and I would like to stress with regard to the enquiry itself that when Honourable Members get the report they will then be able to judge whether their further appearance or not was required. That was a matter for them and if they really have any complaints they should really address themselves to the Chairman of the Enquiry. If the Government appoints a Committee of Enquiry it does not meddle with it. When the report is received it will be considered and then the matters can be debated here. As I have informed the Honourable the Leader of the Opposition in a letter, the report has only recently been circulated to Ministers, up till then it had been with the Minister for Public Works who is directly responsible for the department and his officers are examining it to make the necessary comments in order that the Government can consider it. As soon as that is done Honourable Members will get copies, as I said from the very beginning, and then they can judge whether, apart from the merits of it on which they can of course make whatever representations they may deem necessary, perhaps we can have a debate on it. If in fact they feel that they have not been given the opportunity of appearing a second time that of course is not really a matter for which Government is answerable directly. I hope Honourable Members opposite will appreciate that.

The question of the Port Study of course is a different matter, the matter is being looked into. I think the Honourable Minister for Economic Development said that until the whole matter was considered it would not be possible to decide whether the report was fit for publication, but he did not give an indication that the more important aspects of the report that might have a bearing on general policy might not be made available on a confidential basis to Honourable Members.

Mr Speaker, as I said in the final remarks of my original statement, that for the period 1979/80 the balance has raised between 17% and 32%, and the overall percentage of the budget is 21%, which is lower, but that of course, having explained what the Financial Secretary

has done in respect of the areas of unpaid bills and so on, is a prudent balance, a balance which will stand us in good stead.

One other point that I want to make before I finish is that we were urged last time to be very careful about the measures that we were introducing last year because the frontier was about to be opened. We were told it was a difficult budget, we should not carry on with the proposals, we should take into account the fact that the frontier was going to be opened. I took a much more cautious view - it is there in the Hansard I can quote it - I took a more cautious view and I said that we would have to wait and see what the results were, we were going into the unknown and we were not prepared to take any other steps but a cautious attitude. In fact the Honourable Mr Restano at pages 159 and 160 of the debate said: "This, Mr Speaker, is an unusual budget. I realise that when the Estimates were prepared it was not known that the frontier restrictions would be lifted. But the frontier restrictions are going to be lifted and the economic repercussions that they will have on Gibraltar as a whole will be quite acute, and in fact the consequences of lifting those restrictions on the revenue and expenditure will mean that the exercise that we are going through today on the estimates for 1980 and 1981 may perhaps be a rather unrewarding exercise. The expenditure that that Government will have has been estimated at a notional £250,000 to cover the contingencies of an open frontier. I think that that, if I may say so, is a very conservative estimation and I think that little has been estimated about the possible revenue. I agree that it is very difficult situation but I would have been happier to have had some more details from the Government side as to exactly what, rather than monitoring at the time which of course is necessary, calculations of what estimation have been done." Well, we refuse as I said in my reply to get myself involved in estimating what the money was going to be. We took a more cautious thought of going on. Again Major Peliza made some remarks about the fact that we were going to get a lot of money out of an open frontier. But we didn't. And we were urged that that was one of the factors why we should re-think about the budget, and we refused to do that and we were found to be right. In fact this year not one word has been mentioned by Honourable Members opposite about any contingency plan. We did provide £250,000 last year, we did carry out all our commitments under the Lisbon Agreement, but by the time that things were happening we refused to spend any more

money in other areas and in fact that money was vired to other useful items of expenditure for the general good. I think that the question of the opening of the frontier whenever that may come will require everyone in Gibraltar, not only the Government but the people, to be cautious, to be careful, and not to think that it is going to be the panacea, nor to think either that it is going to be the end of Gibraltar. The same as we have faith in the budget with a handsome reserve to be able to meet any contingencies, we have to meet the challenge with the same determination that we are going to deal with the matter collectively as a community, with robust confidence and self assurance that we can overcome whatever happens.

Thank you, Mr Speaker.

MR SPEAKER:

I now call on the Financial and Development Secretary to wind up the debate.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, there are a number of technical points that were raised in debate that I would like to reply to.

The first was raised by the Honourable Mr Restano and also taken up by the Honourable and Learned Leader of the Opposition, saying that they couldn't link the increases in import duty in 1980-81 with the figures I had given for the economy increases in import in my budget speech. Well, this is not really surprising because the import figures in the budget speech of course relate to the calendar year, whereas the figures in the estimates relate to the financial year 1980-81 which begins in April. And a second reason is that whilst the amount of ad valorem duties will increase with increases in prices, specific duties on drink and tobacco of course only increase with increases in bulk not increases in cost or increases caused by inflation. And, thirdly, the figures will differ even if you took them on a financial year basis because one has a large number of goods which are imported and held either in the Queen's warehouse or in private bonded stores, particularly again

liquor and tobacco, on which no duty is paid, and over the year this can amount to a significant part. So it is very difficult to link the figures together. I hope that this has clarified the point made. If it hasn't then I am sorry I haven't made it any clearer.

One point that the Honourable Gerald Restano said that the increase between 79-80 and 80-81 on customs duty had only been 6.3%. In fact it is 18%.

HON G T RESTANO:

If the Honourable Member will give way. It was 18.5% between 79-80 and 80-81, between 80-81 and 81-82 the forecast is only 4.8%. But the 18.5% was between the actual revenue between 79-80 and the revised 80-81.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am sorry I misheard him. As to why the projected increase is lower for 1981-82 than that for 1980-81 this is that there is a heavy amount of over-stocking. With the announcement of the opening of the frontier, as I have mentioned in the budget speech, traders in Gibraltar ordered a lot of goods in advance, they were caught with a lot of this. Some of it has been moved, not all of it, and many of the warehouses and transit shed, Queen's warehouses stock are very heavily stocked with goods, as well as the inventories in stores in town, and in our view the increase that was shown in 1980-81 over 79-80 is not likely to be as large and, therefore, we have allowed for this. In fact in the budget speech I did say that possible variations on import trends in 80-81 had been taken into account. And that was the variation that I meant.

Now another point was on rates, which was raised by the Honourable and Learned Leader of the Opposition. He referred to an increase of 3rd in rates for housing but only 17% overall in the amount for rates appearing under revenue. Of course the rating for houses only accounts for about 47% of the total amount of rates collected, the balance is on non-domestic rates, and this accounts for the difference in percentage.

The Honourable Mr Restano also raised the question on departmental tenders. Under the . . . .

HON P J ISOLA:

I did ask, I don't know whether the Financial Secretary is in a position to clarify this, I did ask for information as to the actual level of rates and whether in fact they had gone up 33rd percent.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

On housing, yes, Sir, that is approximately right, yes.

HON G T RESTANO:

I would like to ask a question, Mr Speaker. The balance of 53%, are those business premises, and if so have not the rates for business premises gone up even more than for the dwelling?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

My understanding from the Rating Officer is that business premises have not gone up more than dwellings. The projected figure for 80-81 is that on domestic properties we shall get the sum of £1m, and on non-domestic properties, including of course the MOD, £1.24m.

Turning to the departmental tender procedures, the Tender Regulations provide that no tender procedure is required where an article is purchased locally for an amount of £250 or less. For a quantity of different articles the Public Works Department need not go to tender for expenditure up to £750; and other departments for amounts up to £500. For works and services, local works and services, no tenders are required up to the amount of £1,000. Other than that, of course, departments must go to tender, over a certain amount it must go to the Treasury Tender Board. If the Honourable Member would like to draw my attention to specific cases where he believes that a purchase should have gone to tender and didn't do so

I will look into it happily..

The Honourable and Learned Mr Haynes, if I understood him correctly and I stand to be corrected if I didn't, mentioned on Housing that much of the expenditure on housing this year would of course be met by ODA grants. Now this is not strictly so, because up until March 1980, the two financial years 78 and 79 and 79-80, ODA expenditure represented some 87% and 76% respectively of total expenditure on Housing, but from 1980-81 there was a switch, and in fact the Government took up some 47% of the cost of Housing in that year; and in 1981-82 the Government will in fact meet about 82% of the cost of Housing. The total projected cost is £3.7m of which only £.68m. is from ODA grant in aid.

The Honourable and Learned Mr Haynes also asked for some details about captive insurance. I wonder if I might suggest that it would be better to examine this in Committee Stage in the context of the provision made by the Treasury for insurance purposes.

The Honourable and Gallant Major Peliza said that whilst the effects of world and UK factors were interesting they were of only marginal significance to Gibraltar. I am sorry, I don't agree. The correlation between United Kingdom and Gibraltar rates of inflation is quite definite: there has been a rather wider gap than usual with the British Government U-turn, if I may use the in-phrase, from direct to indirect taxation which pushed up VAT prices and domestic prices but were not reflected in the prices of the goods that we purchase here, obviously. Also the effects of sharp exchange rate movement on sterling have changed our import costs tremendously, but they have also hit our hotel business, so much so that the Managing Director of one of the hotels in Gibraltar wrote suggesting that possibly the Gibraltar pound should not be on par with sterling, a suggestion with which I did not agree, may I hastily add, because whilst it may have been useful for the hotels in one area they would have felt the draught in another one, rather severely, I think.

Finally, the Honourable Mr Bossano in his speech enquired whether the revenue figures are based on the I & D programme as presented to the House. And the answer is, yes, Sir.

The other important point which Mr Bossano made is that it will now be some £16m which we will be spending on the I & D Fund this year: about £6.3m. is in respect of UK goods and services. Now some of those services will have a marginal spin-off for the economy of Gibraltar, because of the pay and allowances of UK employees sent out by Hawker Siddeley and other companies to work here and live here, but this of course is as I say marginal and not a large amount.

And, finally, the Honourable Mr Restano threw out, rather casually perhaps, that he thought that even the Treasury's estimates for direct taxation was low. Well, it is very easy to make a statement like that, it is very difficult to substantiate it. The projections for revenue from income tax and from indirect taxation are prepared by the departments in consultation with the Economic Advisers office, and then my own staff and I myself go into them, and we go into them very carefully. We make no attempt to - if I may use the term - cook the books by either inflating or deflating or whatever else, we make an honest judgement as to what we think revenue will be in any area. Events prove that we are wrong very often and I am glad actually that we have been wrong because it has brought in rather more money than we had expected. If it would have been the other way then the House would have been beating us rather severely, and rightly so, more severely than they have done at the moment.

I hope, Sir, that I have answered the main technical points that arose in debate. Of course if any member wishes to ask any further questions I am also available to discuss in detail outside the House.

Mr Speaker, Sir, I beg to move.

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

The Bill was read a second time.

#### COMMITTEE STAGE

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I beg to move that the House resolves itself into

Committee to consider the Appropriation (1981-82) Ordinance, 1981, clause by clause.

#### THE APPROPRIATION (1981-82) ORDINANCE, 1981.

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

#### The Schedule

MR CHAIRMAN:

Well, gentlemen we are now going to deal with the itemised individual Heads of the expenditure. I don't think that any member of this House, be it from Government or the Opposition, can complain of the fact that I have not been liberal on the Second Reading of the Bill. You have said everything you wanted, sometimes I have wondered whether it has been relevant or not, but I have kept my silence because I think it is a time that you are entitled and should not be inhibited particularly in a debate of the Second Reading of the Appropriation Bill in any manner or form. We are now dealing, and I would like to sound a word of warning, with the itemised Heads of Expenditure. We will ask every single question which is relevant to the particular item which is being discussed but not the policy or say anything else.

I will ask the Clerk to call the Head and the different Sub-Heads, Personal Emoluments; Other Charges; and Special Expenditure, and we will take them in numerical order so that we know where we stand.

Mr Clerk will you call the Head No. 1 then.

#### Head 1 Audit - Personal Emoluments.

HON G T RESTANO:

I would like to come back to the point of the staff of the Audit Department. I didn't want to say anything when the Chief Minister was speaking during his reply

because I wanted to raise it in Committee. It is not a question, I don't think, as the Chief Minister said, that the Principal Auditor can in his report make his own case for his own department, but it is a very vital department I think for the Government. It is a department which goes through all the books of all the departments and it is I think absolutely essential that that department should be sufficiently staffed to be able to carry out its duties properly. Now, I don't think that the Principal Auditor would make false statements in his report by saying that he cannot do an audit properly if in fact he cannot. And I think that if he says that in his report those comments must be taken very seriously, and I would ask the Government to look very carefully into the possibility of increasing the establishment of this department.

#### HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I think the point at issue is that the Principal Auditor is not content with the report of a staff inspection held on his department. As the Honourable and Learned the Chief Minister mentioned in his winding up speech many heads of departments are not content. If I may say so, making use of my privileged position too, I am not content either with some of the reports which come out and I argue fiercely against them. In this particular instance I believe that papers are with the Deputy Governor as to whether a separate review should be made on the Audit Department outside the Gibraltar Staff Inspection Team, and if so by whom and with what terms of reference. So the Government is not treating this lightly, it doesn't treat any staff inspection lightly, or the comments of any head of department. It is just a question that often heads of departments see things because they are working on the ground in a very different light to the staff inspectors.

If I may take up the time of the House by telling them a brief story, there is a staff inspector in the United Kingdom Civil Service Department who, when he was making his farewell speech, a presentation was being made to him, said that the one remark that had been with him for 40 years was: you should have come yesterday, because every time he went to a department in-trays were empty, there was very little work to do, but everyone always said: ah you should have come yesterday, you would have seen how much work we have to do. I am sorry to have taken up the time of the House but this is the sort of thing that does happen in a department.

#### HON G T RESTANO:

I am glad that some investigation is going to be made into the department, but what I want to say is that of course if this department carries out its job properly and does proper audits, can produce very good results for the Government in cost consciousness and value for money. That is why I think it is important that it should be fully staffed.

#### HON P J ISOLA:

I would like to ask a general point on personal emoluments. I notice that provision has been made for £12m. generally for the salary review. Or is it the wage review. £12m.....

#### MR CHAIRMAN:

I am not with you Mr Isola. For Audit?

#### HON P J ISOLA:

I am saying that for the 80-81 pay settlement provision has been made.

This really applies to all the department so I ask it here. There is quite a substantial increase on the revised estimates estimated for next year, from £86,000 to £112,800. What is the explanation for that bearing in mind that the salary review is not there?

#### HON FINANCIAL AND DEVELOPMENT SECRETARY:

Because, Sir, the salary review, the 1980 Salary settlement was only for nine months and not for 12 months. This applies to all departments.

#### HON P J ISOLA:

That is one point Mr Speaker. The other point is, in the

revised estimates I notice that the details are not put down, in fact this was followed last year as well, so that we do not know, as far as salaries are concerned, the breakdown in the revised estimates between salaries, allowances and overtime. That is so we never Head. That is why I was asking if there is any particular reason for excluding them, because I think it is of some interest to us, the point of overtime and allowances of salaried staff.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I don't know, going back a long time, whether the figures were ever put in in Gibraltar. In my experience they are not put in anywhere because of the amount of work involved in preparing this, the administrative costs.

Personal Emoluments were agreed to.

Other Charges were agreed to.

Head 2 Customs - Personal Emoluments.

HON W SCOTT:

Mr Chairman, here we find the reverse on personal emoluments. It shows a decrease to that which appeared in the Audit and most other sections. There is a decrease between the revised 80-81 and the estimates for 81-82. On total Personal Emoluments. I know there is a drop of two in the staff.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The reason is, Mr Speaker, that when the Estimates came to me as the Head of the Department, I took a very tough line on overtime and reduced it to an amount which I thought was correct. This is overtime which is paid for by the persons using the Custom officers after hours, but it might be we will be able this year to hold it and so I held it.

HON W T SCOTT:

One further question, Mr Chairman, on allowances. That seems to have gone up quite substantially.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Chairman, this is the result of the 1980 pay review when changes were made in allowances. The House will remember that during the course of the year I had to come twice for supplementary provision on additional allowances for Customs Officers. Telephone allowances were raised in particular.

HON J BOSSANO:

Mr Chairman, the Government has had representations from the staff side on the need for extra staff to deal with the increasing volume of yachts. Can the Government say what is their view in this matter in the context of the provision for emoluments for the coming year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, we are hoping during the course of the year and provision was made in the Estimates, to have a central yacht reporting station at Waterport. We have to buy a couple, at least one, possibly two, porter cabins to put in there and we hope that this will mean that all the yachts coming in will then report to this central point, which will be manned by Police and Customs jointly. This we hope will reduce the number of officers required for this work. At the moment whenever a yacht comes in officers have to leave their work and go chasing round to one of the Marinas to check the yacht. By having a reporting centre the amount of work will be reduced.

HON J BOSSANO:

What about, Mr Chairman, when the yachts are provided with duty free goods. I mean, for example, we have got a situation where in the Bayside Marina there is a supermarket and there is not going to be any customs supervision in the area. What sort of control is there going to be there.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, yachts will not be able to get duty free goods from the Liptons Supermarket, they will have to go through a Bonded Store. I wish they could, certainly not as a revenue collector, and they will have to go through a Bonded Store to arrange this, and when they go to a Bonded Store of course they will have to be accompanied by a Customs Officer who will seal the package on the yacht before it leaves. The cost of this is picked up, Honourable Members may remember that we introduced a wayleave last year to meet the cost of this. What we are looking at, and I am not certain whether it will be practicable, is that when we have a central yacht reporting station whether they could pick up packages from that point on leaving, so that it will save the time of Customs Officers going down. This is possibly essential in the event of an open border situation where we will have Customs Officers on the border too.

Personal Emoluments were agreed to.

Other Charges were agreed to.

Special Expenditure.

HON J BOSSANO:

Can I ask for the Government's views on the proposal that there should be dog's trained in drugs detection obtained for the department? This was put forward by the staff side. I would like their views on this.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No definitive view has yet been reached on that, Mr Chairman.

Special Expenditure was agreed to.

MR CHAIRMAN:

We will now recess for a short 10 minutes, for coffee.

THE HOUSE RECESSED at 10.35 a.m.

THE HOUSE RESUMED at 11.00 a.m.

MR CHAIRMAN:

Mr Clerk, will you now call Head 3 Education.

Head 3 Education - Personal Emoluments was agreed to.

Other Charges.

HON A J LODDO:

Mr Chairman, on subhead 9, Sharing of Running Expenses of Gibraltar and Dockyard Technical College. I notice there is a slight drop there. Is that due to a lesser number of students?

HON MAJOR F J DELLIPIANI:

That is our actual share as costed by the MOD.

HON A J LODDO:

It has gone down, slightly.

HON MAJOR F J DELLIPIANI:

I don't prepare the estimates I just accept the share billed by the MOD.

HON A J LODDO:

The Minister cannot answer that?

HON MAJOR F J DELLIPIANI:

No.

HON A J LODDO:

Well how many students have we got this year?

HON MAJOR F J DELLIPIANI:

I have absolutely no idea.

HON W SCOTT:

Mr Chairman, on the same subhead, could we have some further information from the Minister insofar that I think the Government at some stage over the last few years were going to take over the running of the Technical College, if I remember rightly this coming September, and I think there were some developments on this quite recently. Can we have a time of scale from the Minister as to when the Gibraltar and Dockyard Technical College will revert to Government completely.

HON MAJOR F J DELLIPIANI:

At this stage I cannot give you a time scale. We still need to complete negotiations on the question of land and building.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If it might help the Honourable Member seeking information on this. In the running expenses of the Gibraltar and Dockyard Technical College they do

include special equipment and also the cost of maintenance of machinery and building. So that the cost can fluctuate from one year to another depending on what special equipment or the cost of that item are brought in. I notice for example this year that they have brought in their equipment costs special equipment, 50 typewriters at £200 for example. I haven't unfortunately got last year's figures in front of me but you will get a variation because of the special equipment and the maintenance of the building elements.

HON A T LODDO:

Mr Chairman, subhead 13, the Running Costs of the Teachers Centre in . . . . .

MR CHAIRMAN:

No other items before that?

HON A T LODDO:

No.

MR CHAIRMAN:

Right.

HON A T LODDO:

There is again a slight drop there. Is it that the different subjects being offered are being reduced?

HON MAJOR F J DELLIPIANI:

No, the adult continuity classes are still the same, no subject has been dropped. What we have cut down on is the number of classes dropped. Say we have 5 classes for book-keeping, we think that the requirement might now only be for 3 classes of book-keeping; we haven't cut the subjects.

MR CHAIRMAN:

I think what the Minister said that is that they had cut down on the frequency of the classes and not on the subjects. Is that correct?

HON MAJOR F J DELLIPIANI:

Well, Sir, we might have a demand this year for only 3 for book-keeping whilst last year we had five.

HON P J ISOLA:

Mr Chairman, on item 17 - the Education of Children Outside Government Schools. Could I ask the figure of £73,300, is that after taking into account the charges that it is proposed to level on parents.

HON MAJOR F J DELLIPIANI:

£73,300, that is the actual cost to the Government of sponsoring children to the Services' school up to the summer break in July.

HON P J ISOLA:

Why I ask that, Mr Chairman, is that I noticed the drop from last year, £15,000 drop. Is there any particular reason for that?

HON MAJOR F J DELLIPIANI:

It was explained by the Chief Minister that the Government will be responsible for the same capitation that it cost our children in the first and middle schools, and those are the costings that we have made.

HON P J ISOLA:

I thought the answer to my first question whether the

£73,300 took in the proposed contribution from parents. . . .

HON MAJOR F J DELLIPIANI:

No it doesn't.

HON P J ISOLA:

Well if it doesn't can the Minister explain why the drop in expenditure from £88,700 to £73,300. That is my question.

HON MAJOR F J DELLIPIANI:

It takes into account the fact that after September. they will have to pay the difference between our capitation and the Services capitation.

HON P J ISOLA:

I see. Now, can I ask one thing. On what basis: is Government going to bring legislation in to be able to raise this money, or is it going to be done administratively? Charging of parents for the education of their children, which seems to go contrary to the provisions of the Education Ordinance.

HON MAJOR F J DELLIPIANI:

I am sorry I do not see why it is against the Education Ordinance. We provide for our children in our schools. We have been sponsoring children to the Services Schools for a number of years. The increase in capitation in relation to the Services school has increased from I think it is £366 to £880, and what we are saying is that we are prepared to pay the same capitation as we pay for our own children, which is £415, I think, this year.

HON P J ISOLA:

I appreciate that, Mr Chairman, but as I understand the position under the Education Ordinance the education of children is free and compulsory, and the arrangement that Government has done and entered into with the relevant authorities is that the Government will sponsor Church of England children in this particular school. What I am asking is, does the Government propose to bring any legislative measures or anything else in Gibraltar on this issue.

HON MAJOR F J DELLIPIANI:

We do not require any legislation. What we require is just an administrative process whereby parents who still want their children to go to the Services school will make arrangements for the balance to be paid by them.

HON P J ISOLA:

Mr Chairman, the reason why I ask all these things is because it seems to me, as I understand the position, whilst one can have sympathy with the proposal to make some charges, one is met with the agreement that the Government, the solemn undertaking that the Government made some time ago. Can I, therefore, suggest to the Government that before unilaterally implementing these charges, the Government should have discussions with the leaders of the community concerned, because it may be, Mr Chairman, that what the Government proposes of charges £500 a year, because that is what virtually it entails, to a particular section of our community that was given to understand that they could have their children in a particular school, the Government should consider whether it is fair to put a burden of £500 per child, or whether the Government should not negotiate a somewhat lesser figure taking into account for example, I am not saying it is on the same plan, but taking into account for example what the Government is doing in the Public Works Department of making a fixed charge for a particular service, even though it is far less than the amount spent by the Government on it. I think education is something that the Government should also consider in this light, because the Government has made commitments and an agreement in relation to the education of Church of England

children and it seems to me that to tell parents; you will now pay £500 a year, unilaterally, could be taken as more or less obliging them to choose for their children a different kind of education than they are entitled to. And I would ask the Government to consider seriously speaking to the heads of the religious community concerned and coming to some agreement as to what the capitation grant, if any, should be, and not just taking a unilateral decision which seems to me to be what has happened now.

HON CHIEF MINISTER:

Sir, I think the point is that the matter has come up in the meantime and it is necessary for me to tell the House what is intended to do. Of course there will be consultations with the parents to see what is the best way in which this can be done. We want to help them, those who are particularly keen in having them in Anglican schools. But the inordinate charges that have been made to us, and let me say that this has been done with retrospective effect from the 1st April late last year, and that was after a fight, they wanted retrospection of five years, and we had to fight them on that. It is on that basis, that we will be as generous as possible in calculating the overall cost of providing education for children in our schools and pay that towards the sponsoring. The way it will be done, whether there may be representations, or if some people can afford it and others not, is a matter which in consultation with the parents we can look at in a broad sense. But I think it is only fair that the House should be informed at this stage why the provision is made and what the Government's intention is.

HON P J ISOLA:

Well Mr Chairman, I am very sorry.....

HON MAJOR F J DELLIPIANI:

To clear another point, if the Honourable Leader of the Opposition will give way. The other point is that we have just received today another bill of £50,000 in arrears. Quite frankly we are always one step ahead of the Opposition. We are already in consultation with the

appropriate authorities in Gibraltar to devise a scheme where the parents of these children will pay considerably less than the money that is required to cover the full cost of what the MOD are asking for, but I wouldn't like to give particular details in the House because it might spoil the effects that these negotiations are carrying on.

HON P J ISOLA:

Mr Chairman, may I say we are very glad to hear that because that is not the impression, certainly, that one gets from paragraph 23 of the Chief Minister's address on the Budget. It says here quite clearly "the difference must therefore be borne by the parents of such children as from the new school year." And that is what I was objecting. I think the principle, and I don't want to argue about the principle, but the principle really is the principle that the Government has agreed solemnly. It may be an unfair burden on the taxpayers in practice to have to pay so much more than a particular class of children, I can understand that argument, but I am very glad to hear, and that is not the impression one gets, I am not being critical of the Government, I am very glad to hear that there are discussions going on between a minority group in Gibraltar and the Government. It seems to me that it is traditional in Gibraltar to respect very much the rights of minorities. That is the right principle and it should be continued. Let me say that on this side of the House we do consider the charges to be inordinately high because I cannot understand how with parity as we have between Gibraltar and London there can be such an enormous difference in charges. I can of course understand overseas allowances and all this business but even so, they do seem to be inordinately high and I think this is a matter which the Government should take up at the highest level and should possibly apply the same principles that are applied by the Ministry of Defence. They should be applied in our own charges to Ministry of Defence children in the secondary schools. Once that is done that should even out and perhaps there won't be any need then to charge parents anything for the education of their children, or much less than the sum that would otherwise be asked to pay.

But I am very glad to hear, Mr Speaker, that there are negotiations because the impression that I did get and I am glad that that impression has now been dispelled, or I have been given the right impression, the impression we got in the speech of the Chief Minister, and the record is there to show it, was rather different than what we are getting now.

HON CHIEF MINISTER:

I would just like to make one little point. I was asked specifically to mention that in my speech in order that it would show the way things were going. Omission of that in my speech in a matter of principle would not then have highlighted the matter. We have every intention of doing our utmost in that respect, as I said at the beginning when the first matter was raised. It is not on the basis of any commitment for ever, it is only on the basis that is a much stronger basis, and that is in respect of people to maintain their minority views if they can. It isn't whether there is a commitment or not, it matters little in a way, it is the continuing concern that it is being expressed. That is what matters.

Other Charges were agreed to.

Special Expenditure.

HON A T LODDO:

Mr Chairman, this van for the Teachers Centre, is it a replacement van or is it the first time that they have had a van.

HON MAJOR F J DELLIPIANI:

This is a replacement van. The other one is extremely old, we have to make sure that we park it on a hill to be able to push start it. It does a lot of work in carrying out special equipment that we have in the Teacher's Centre to the different schools.

Special Expenditure was agreed to.

Head 4 Electricity Undertaking - Personal Emoluments.

HON G T RESTANO:

Mr Chairman, I notice that the allowances have more than doubled this year, from £12,500 to £30,200. Could I have a break down of what those allowances are?

HON DR R G VALARINO:

Yes, Mr Chairman. The allowances have increased. They have been due to in some part to the pay review, the rest is overtime on the part of the PTOs, the Shift Engineers, PTO III, PTO IV, Work Supervisors, Time Keepers etc. That is the overtime. On the allowances the amount is made up on the Substitutions, the Shifts Disturbance Allowances, the On-call, which is two shifts, the Proficiency Agreement and the intensive schemes with regard to the PTOs.

Personal Emoluments was agreed to.

Other Charges.

HON G T RESTANO:

Subhead 3 Engine Room Wages, Mr Chairman. Can I know what is the establishment of the industrials in the department?

HON DR R G VALARINO:

Mr Chairman, the total number of industrials is 160 men.

HON G T RESTANO:

The next item under subhead 7, Mr Chairman . . . .

HON A J HAYNES:

Is the Hon Minister saying that there are 160 men.

HON DR R G VALARINO:

160.

HON A J HAYNES:

That means that the average wage for Engine Room industrials is something just under £3,900 which seems to me rather low.

HON DR R G VALARINO:

Mr Chairman, in fact the actual amount on wages is greater because subhead 2 Engine Room Wages does not provide for all these industrials.

HON G T RESTANO:

I asked for the total established.

HON R G VALARINO:

Yes, I provided that but they are not all in the Engine Room wages. They are under the different other subheads.

HON G T RESTANO:

How many are there in the Engine Room?

HON DR R G VALARINO:

The engine room, Sir, is composed of the shift

personnel, which is 19 people; the Mechanical and Maintenance Section of KB North and KB South, and in fact all in all a total of roughly of about 62 people if I am not mistaken.

HON G T RESTAND:

The next subhead, Mr Chairman, subhead 7. Could we have an explanation of what engine spares have been purchased.

HON DR R G VALARINO:

Yes, Sir. These are routine spares, these are spare bearings to No. 13 engine, 13 valve number guides for pneumatic exhaust valves, 200.... In fact if you want me to read all that out, Sir, it would be approximately 62 items.

MR CHAIRMAN:

No, I don't think he is asking for that.

HON G T RESTAND:

No, what I wanted to know was really whether this was one large.....

HON DR R G VALARINO:

It is general spares for the station, 62 items in all.

HON G T RESTAND:

I would like to ask a general question, Mr Chairman, on Subheads 8 to 14. I would like to know what element of wages is included in all those subheads.

HON DR R G VALARINO:

Mr Chairman, Sir, in subhead 8 wages are - If you give me a minute I will work it out, Sir - it is the largest item and it covers all in all about £26,000.

HON G T RESTAND:

How many?

HON DR R G VALARINO:

£26,000.

HON G T RESTAND:

I asked, Mr Chairman, for all of them.

HON DR R G VALARINO:

On item 9, this covers all the spares, maintenances, fault finders of HT and MV cable services, and main and the Wages Section is about £46,000.

No. 10, Sir, is a very small item, Repairs and Maintenance of Cables, Sir, and it is £300 for a meter checker.

On No. 11, Sir, very little, really it allows for the substitution of one craftsman for 13 weeks whilst non-industrials are on leave, and it is approximately £1140, Sir.

Item 12, Sir, is for 4 persons, and in fact it is all wages Sir.

Item 13, Sir, is the Standby Service which is the external to the Generating Station, and it is again £13,300, and it is all wages, Sir.

And item 14, Sir, which is Repairs and Maintenance of Station Offices and Buildings, these are the wages of the Station Cleaners, Yard Cleaners, etc., which includes 7 men and some part-timers, welders mates, carpenters, painters and masons, and in fact it is nearly all wages, Sir. It is nearly all wages except for a very very small amount.

HON G T RESTANO:

Are there any other items in the Other Charges which also include wages, or have we covered all the wages of the department. For industrials of course.

HON DR R G VALARINO:

Yes, Mr Chairman, item 16 includes wages and that is £7,907, Sir. That is all, Sir.

HON G T RESTANO:

I would like to ask one question on subhead 16....

MR CHAIRMAN:

Yes, you will. Any questions before item 16. Yes go ahead Mr Restano.

HON G T RESTANO:

I wonder why in subhead 14 there has been such an increase from the approved to the revised estimates. For the Repairs and Maintenance of Stations, Offices and Buildings.

HON DR R G VALARINO:

Sir, basically this is due to increased salaries largely, and various other items of small expenditure that we are providing for the Station. At the same time lately we asked for supplementary provision which has been sought recently for the repairs to the facilities for the personnel at the Generating Station.

HON G T RESTANO:

go

Mr Chairman, if I may/back to wages just for a moment, I have been working out some figures. I find that adding up all the wages that have been quoted by the Minister, the figures I get is £787,000 odd, and for 116 industrials that comes out to an average of £94 a week, which I think, if I remember rightly, is just

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about the average earning, and that does not even take into account overtime, overtime must be included there presumably. Are we saying that the wage is in fact lower than the average wage?

HON DR R G VALARINO:

Yes in fact if the Honourable Member will forgive me there are wages further down. There is item 21 - Training of Apprentices, the wages of 3 apprentices; item 23 New Services and the Enforcing of the Existing Ones. Wages is £26,828; £11,569; £3,785. item....

HON G T RESTANO:

And items 28 and 29, any wages there?

HON DR R G VALARINO:

Yes, on item 28, Mr Chairman, there are wages which total £5,800 - which is the other one you said?

MR CHAIRMAN:

Floodlighting and Illuminations - item 29.

HON DR R G VALARINO:

Item 29 is the one I have just said. Sir, 28 on Public Lighting, there are about £26,000 of wages as well, Sir. Apart from this there are wages of the stations in the Improvement and Development Fund, and there are wages for works coming out of other departments, mainly Public Works Department.

HON G T RESTANO:

Could the Minister say how much is in the Improvement and Development Fund?

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HON DR R G VALARINO:

This is impossible to say, Mr Chairman.

HON G T RESTANO:

Why is it impossible to say? Surely the wages are being paid out?

HON DR R G VALARINO:

It is not impossible to say, Mr Chairman, but certainly I haven't got those facts ready with me at this time.

HON P J ISOLA:

May I ask just one general question. Am I right in assuming that 62 men share £620,000, that is in the Engine Room Wages, and that all the other wages the Minister has given are shared by the other 98 men? Is that the sort of correct position?

HON DR R G VALARINO:

No, Mr Chairman, in fact I think the Honourable member is going back again to subhead 3 Engine Room Wages, isn't he?

HON P J ISOLA:

Yes.

HON DR R G VALARINO:

Well Engine Room Wages cover the shift personnel, it covers the mechanical maintenance, it covers the station auxiliary services, it covers the efficiency payment to all departments, it covers the holiday, injury and sick pay to the Generating Section, the Distribution Section, the Consumer and Electrical Section, and it also covers

Electrical Section, Sir.

HON P J ISOLA:

I see. So in the item Engine Room Wages there are 62 men who work in the Engine Room but the £620,000 is not shared by these 62 men, it is in fact a lot of other things that the Minister has said.

HON DR R G VALARINO:

That is right, Sir, it is a global figure.

HON CHIEF MINISTER:

It is Engine Room Wages, there is a dash there.

HON P J ISOLA:

Well it says Engine Room Wages, and if there are 62 men in the Engine Room I don't think it is an unreasonable assumption to say that they get the £620,000.

MR CHAIRMAN:

The answer is, no.

HON P J ISOLA:

The answer is no, in other words we cannot really tell very much.

HON CHIEF MINISTER:

No.

HON G T RESTANO:

May I ask, Mr Chairman, why is there not a separate item, as has occurred shall we say in the Public Works

Department, for sick leave? Would it not be better to rationalise the accounting systems of different departments.

HON DR R G VALARINO:

Mr Chairman, Sir, we have prepared the estimates in this manner previously and it has always been put down to Engine Room Wages. Certainly I am not responsible for the presentation, but I will look into what the Honourable Member says, and will see whether there is any way in which we can rationalise the comments that he has made.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I must say that when I came to Gibraltar I was surprised to find under the Public Works Department that separate provision was made for sick leave. It is not usual in presenting estimates to the Assembly to do this, and the way in which the Electricity Department is presented it would be the normal way, under Wage Bill you would make some provision, provision would be included for the sick leave etc. As it has been raised we will look at this.

HON G T RESTANO:

Is the incidence of sick leave as great in this department as it has been in the Public Works Department, for example.

HON DR R G VALARINO:

I do not have the incidence of sick leave with me at the moment but I can assure the Honourable Member that the incidence of sick leave is much lower than that in the Public Works Department.

HON P J ISOLA:

The Honourable Minister mentioned the Improvement and

Development Fund, the element of wages there. What I would like to know is can I ask the Minister the element of wages in relation to the installation of the skid generators, the running of them, the repairs and everything else that had to be done incidental to the skid generators. Does any of that find itself in these particular estimates that we are dealing with now, or is it all in the Improvement and Development Fund. And next year, is it here or in the other place? As a matter of interest.

HON DR R G VALARINO:

Mr Chairman, it was on its own head last year, which at the time was sub-head 80.

HON P J ISOLA:

So that nothing of that is in this year's estimates.

HON G T RESTANO:

Well, some of the wages paid to the men for doing the work of the installation of the skid generators, isn't some of that reflected in the wages here?

HON DR R G VALARINO:

No, not at all.

MR CHAIRMAN:

Any other items on other charges?

HON G T RESTANO:

Yes, Mr Chairman, item 16, may I ask how many vehicles the department is running at the moment?

HON DR R G VALARINO:

We have 16 vehicles, Sir, we have two Bantam carriers; one commer pick up diesel van; 4 mini vans; two sherpa vans; one landrover; one landrover with a hydraulic platform for the street lighting; two Toyotas; one van; and one Toyota Dina diesel tipper lorry; and one Austin mini van, in all 16 vehicles.

HON W T SCOTT:

On the same subhead, Mr Chairman, subhead 16, the Running Repairs and Maintenance of Vehicles and Mobile Plant. I think the Minister earlier on said that there was a wage element there of £7,907. In fact the figure doesn't really matter that much, it is just the principle involved here in that that charge surely is the charge levied presumably by the PWD garage to the electricity authority?

HON DR R G VALARINO:

No, no, Mr Chairman, the wages section of it is our own wages but part of it is levied by the Public Works garage.

HON W T SCOTT:

I asked that, Mr Chairman, because there are similar items which occur in quite a number of other heads of Government.

HON G T RESTANO:

The £15,600, one has got to deduct to get the actual cost of the repair and maintenance, £7,900 which is wages. What other items are included there?

HON DR R G VALARINO:

Item 16 this is, Mr Chairman?

MR CHAIRMAN:

Yes.

This is the hire of a contract lorry for 100 days at £32 per day, that is £3,200; the amount of petrol and diesel consumed by the engines and the compressors that we have at the Station; moreover, that includes also an item for repairs and maintenance and changes of filters: oil changes.

HON G T RESTANO:

Could the Minister say how much is for petrol and how much is for repairs and maintenance.

HON DR R G VALARINO:

I make it about £4,555 yearly for petrol and diesel and about £1,500 for the spare parts, and the repairs and maintenance.

MR CHAIRMAN:

Any other matters?

HON W SCOTT:

Mr Chairman, there seems to be quite a lot of confusion between different subheads, and indeed different heads, between this head and the wage element on the I & D Fund insofar as it applies to industrials of the Electricity Department. In fact what we are really looking for as a matter of interest is and would the Minister say whether he has any information as to the average wage of the industrials? Is it possible for Government to give this figure?

HON A J CANEPA:

I think that information may be obtained from the Employment Surveys, it is just a question of updating it.

MR CHAIRMAN:

I think that is a matter which perhaps can be brought to the House at a later stage.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, industrials, Electricity, number employed 139; basic pay £628,000; overtime £119,000 and other costs, that would be allowances etc, £101,000; total industrials £848,000. If the Honourable Members would indicate what they are after I would have been happy to give them the figures earlier.

HON W SCOTT:

Thank you I am very much obliged.

HON G T RESTANO:

I think the Financial Secretary said 139 industrials?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, that is on the Head, 139 the Minister gave a figure of I think of 160. The Minister mentioned that there was work done for other departments and under the I & D Fund, which will be charged through those departments in accordance with their demands on his department. So it is extremely difficult to say now, at the beginning of the financial year, what demands will be coming in from other departments. One might be able to look back to see what they were but it is difficult to look forward.

HON G T RESTANO:

I don't know whether the Honourable Member understood, he said that the establishment was 139.

HON CHIEF MINISTER:

No, they are working on this fund.

MR CHAIRMAN:

Well any further items on this head?

HON P J ISOLA:

I am not surprised, Mr Speaker, because we have been given averages all through the budget speech, when I start talking about it we were told you cannot apply that, it is not valid. Is it the same situation here?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think that the Honourable and Learned Member the Leader of the Opposition has taken what I said out of context. I have a breakdown which shows the wages and salaries bill for 81-82, there may be slight differences because there may be amendments to the Estimates at the last moment, but they are basically factual, and it shows the total number of industrials employed by the Government under the recurrent budget. It shows basic salaries in thousands of pounds, then overtime and other allowances, and the total cost, and insofar as the Electricity Department, Head 4, is concerned it shows that there are 139 industrials employed under that Head, that £628,000 is for basic salary, that £119,000 is earned in overtime, or is projected for overtime, and other allowances come to £101,000, and the total is £848,000.

HON P J ISOLA:

It would show an average earning of £113 a week, would that be right? That is what it has seemed to us. It certainly gives the lie to the sort of rumours that have been circulating. Would therefore our figure of an average earning of £117 a week be correct for those 139?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, they would be correct on the basis of these figures for that department, but I think that what one must understand, looking through these details of the department which I have from the Estimates, the department includes a lot of skilled industrials as compared to other departments. You have got craftsmen, craftsmen, craftsmen, all the way through under each subhead, so that it may be that compared with the average figure which I may have given for industrials in my budget speech it would be high, but then there is a high

proportion of craftsmen.

MR CHAIRMAN:

I think we mustn't go on. I think what the Financial and Development Secretary is saying is that due to the structure of the department the average earnings may not be relative to the average earnings of industrials as a whole in the Government. I don't think we must pursue that subject further.

HON J BOSSANO:

Mr Chairman, perhaps I may be able to help. I think, and perhaps the Government will agree, that to try and produce an average figure in fact for the Generating Station industrials is meaningless because in fact the composition of the condition of work of different sections of the Generating Station are totally different. For example, the people employed on shifts are conditioned to working seven days a week and they get a shift premium of 20% on top of their basic wage and they get payment for Saturday and Sunday working at premium rates over and above the 40 hour week. Now if one wants to arrive for example at a figure as to whether the amount of overtime - it all depends on what is he aiming for - but if one wants to arrive at a figure as to whether the overtime level is excessive or normal in the Generating Station one would need to take out of the equation the group that is involved in working a seven-day week because we are not talking there about overtime working we are talking about having electricity over the weekend or not having electricity over the weekend. And, therefore, I think the average figure would be a distortion if it included the amount of money people working seven days a week get who are working on a roster where they work 24 hours a day and there are three shifts a day of 8 hours. Similarly we have got another section for example, the Jointing Section, where there is a standby duty from 5 o'clock until midnight in order to deal with emergency breakdowns. Now those people again cannot be considered to be doing normal overtime because whether there is any work available or there isn't any work available, either you provide a service after 5 o'clock when you have somebody on tap to deal with an emergency, or else you only provide a service if a breakdown occurs before 5 o'clock and you keep people working late. So I think the average, Mr Chairman, would not be of any use I think to the House unless it was broken down into

the different sections making up the Generating Station.

MR CHAIRMAN:

Yes, but I am afraid we have now been debating, and with due respect, whether it is important, not whether it is relevant and in context that I am interested in. We are discussing the vote of a particular subhead - nothing else.

We are not talking now of how the average compares with other departments.

HON P J ISOLA:

I am not asking how the average compares with other departments.

MR CHAIRMAN:

Well let us have the right question.

HON P J ISOLA:

I am not asking what is the average compared with other departments.

MR CHAIRMAN:

Now I am asking you; what are you asking?

HON P J ISOLA:

I can understand what the Honourable Mr Bossano said, I can see the thing, but if one is trying to get an average earning among 139 men, it may be one is earning much more than the other. If I took the average earnings, for example, for the salaried staff.....

MR CHAIRMAN:

No, Mr Isola, with due respect, what has been asked and was is being debated is how does the average earning in the department compare with the average earnings of

industrials in other departments.

HON P J ISOLA:

No, Mr Chairman I am not asking that question at all. I am not asking that question. The comment I made, which perhaps I shouldn't have made because that has brought all the confusion, was that the average of £117 seemed to be substantially lower than what one heard was going on in the department. I wasn't comparing with other departments.

HON A J CANEPA:

They are asking for the department that are earning perhaps the sort of figure that the Honourable Member has heard.

HON P J ISOLA:

Well I am asking...Can I ask my question?

MR CHAIRMAN:

Yes.

HON P J ISOLA:

The Financial and Development Secretary has given us figures in respect of 139 men and he has given us wages, overtime, and allowances. Are there any other figures may I ask that he should have put in for these 139 men, or is that it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Not that I am aware of.

HON P J ISOLA:

Now, all I am asking is am I, therefore, right in saying from the figures that I have been given that those 139 men, forget anybody else in the department, I know there are 160, but as far as those 139 men, their average

earnings - and this may be quite meaningless - may be so, but am I right in saying that their average earnings would appear to be £117.32 a week? That is all I ask.

MR CHAIRMAN:

That information you can get by making a division.

HON P J ISOLA:

I know but I am asking for confirmation, Mr Chairman.

HON CHIEF MINISTER:

Mr Chairman, the matter has been complicated, as he has said. The point is that some may earn £250 and another may have £85 or £70.

MR CHAIRMAN:

Now I am clear and my answer is that that is information which is easily available to the Leader of the Opposition by just dividing one figure into the other.

HON P J ISOLA:

Mr Chairman, I know, but my division comes to £117.32, my division may be wrong and I am asking for confirmation. I am asking the Financial Secretary whether I am right. He is the expert not me.

MR CHAIRMAN:

Mr Isola, he is not the expert in mathematics.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I haven't got my calculator with me.

HON P J ISOLA:

Could I ask for confirmation, Mr Chairman, because we would like to know, and that is why we are asking

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all these questions, how it is that the Electricity Undertaking costs the people of Gibraltar £3,809,000, and we want to elucidate facts. We are not going to say that they are paying too much or too little....

MR CHAIRMAN:

With due respect Mr Isola you have been given the facts from which you can get the answers now, and I do not think it is correct to ask for confirmation. Ask for confirmation of the facts that you have been given by all means but not of the result.

HON P J ISOLA:

Anyway we seem to get confirmation regularly of this sort of thing. Then can I go on from there, that leaves another 21 industrials who are unaccounted for. Have we got figures for those wages, overtime and allowances?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The figure was £117 Mr Isola.

HON P J ISOLA:

Thank you. Has the Financial and Development Secretary got a similar breakdown for the other 21 men involved in that department - industrials.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Sir.

MR CHAIRMAN:

Right. Let us move on then. Mr Restano?

HON G T RESTANO:

The amount of wages in the Improvement and Development Fund, could the Minister find out how much that is and let us know?

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HON DR R G VALAZING:

Mr Chairman, the Honourable Member has requested and I shall try and get the details for him.

MR CHAIRMAN:

Right, next item.

HON J BOSJANG:

On the item Electricity Accounts, the appendix. There is a token provision in Appendix A, Electricity Undertaking. Fund of £70,000 for pay increase. Now in fact, since that token provision is based on a hypothetical percentage one can work back the total wages bill for the department from that. If one knows the total figure of the individuals and the total wage bill then this might be a more useful way of getting at the information the Honourable Members are looking for.

HON CHIEF MINISTER:

Mr Speaker, if any member wants a particular kind of information which is useful for them for their presentation and we are asked for this we will provide it, but it is very difficult across the House.

MR CHAIRMAN:

This is not the sort of information - yes Mr Isola?

HON P J ISOLA:

Mr Chairman, I wanted to ask something. Can one ask about the Electricity Fund here or do we take it separately?

MR CHAIRMAN:

We are going to take it separately.

HON P J ISOLA:

Because I was going to ask, am I right in saying that the figure of public lighting and floodlighting and

illuminations are not included of course in the Electricity Undertaking Fund. Am I correct?

HON CHIEF MINISTER:

They are not included.

HON P J ISOLA:

They are not included.

MR CHAIRMAN:

I think we should now recess because it is two minutes to 12. I was wondering are there any other items in this particular Other Charges? There are. Then perhaps we should recess now until 1.45.

THE HOUSE RECESSED AT 12 NOON.

THE HOUSE RESUMED AT 1.55p.m.

MR CHAIRMAN:

Perhaps before we go on with Other Charges in the Electricity Department, the Clerk has circulated to members the times of the meetings for the beginning of next week. As we all know we are all going to be heavily engaged in other matters in connection with the granting of the Freedom of the City to the Royal Artillery, so in consultation with the Chief Minister and the Leader of the Opposition, it has been agreed to vary the times. We circulated these memos so that everyone knows when we will meet.

Right, we are on Other Charges in the Electricity Department.

HON G T RESTANO:

Can I refer to subhead 23, which is New Services and Reinforcement of Existing Ones, and can we have some details of what those £48,000 will be spent on.

HON DR R G VALARINO:

These are connections of new consumers to main cables and minor distribution improvements to either underground networks or rising mains. It is divided basically into the Distribution Section and the Consumer Section, and if the Honourable Member would like a breakdown I can give it to him, but mainly these are wages in the region of £36,828 and materials which are in the region of about £11,000.

HON G T RESTAND:

The only query I have there, Mr Chairman, is that for £11,000 apparently of new equipment we are paying £36,000 in wages. That seems to be a lot for the distribution. Perhaps the Minister could make a comment on that.

HON DR R G VALARINO:

Mr Chairman, this is mainly cable laying and certainly as the Honourable Member knows this is extremely intensive labour and this is why the wages are higher than the amount of materials concerned.

HON G T RESTAND:

Is the Minister satisfied that three times higher is a viable and economic service?

HON DR R G VALARINO:

Mr Chairman, not only have I gone into this in detail but also the Financial Secretary and my City Electrical Engineer have gone into details and we are satisfied that the figures presented are the right ones.

HON G T RESTAND:

I did not ask whether they are the right ones, but is he satisfied that this is an economic service?

HON DR R G VALARINO:

Mr Chairman, I have said I am satisfied.

HON W T SCOTT:

Mr Chairman I wonder if I can ask the Minister in fact whether on the same head new services there is an element there for work undertaken by the department in any project that comes under the Improvement and Development Fund?

HON DR R G VALARINO:

No, Sir.

Other Charges was agreed to.

Special Expenditure.

HON G T RESTAND:

Sir, I am sure the Minister will not be surprised if I ask on subhead 80, what the £260,000 in temporary generating plant will go towards.

HON DR R G VALARINO:

Yes, Mr Chairman. Since the replacement of the column of No. 8 engine is going to be very expensive the possibility of hiring further plant to make up the loss of No. 8 has been considered and is under active consideration. No firm decision has as yet been made.

HON G T RESTAND:

I did ask, Mr Chairman, for details of what the £260,000 is made up of.

HON DR R G VALARINO:

Mr Chairman, the details are simple enough if the Honourable Member will look at it. It is the cost of

the present temporary generating plant plus an added amount for any temporary generating plant that we may consider in the future.

HON G T RESTANO:

Mr Chairman, can I ask a third time for the details of the breakdown of the £260,000. That is what I am asking.

HON DR R G VALARINO:

Mr Chairman, the hire of the temporary generating plant for the next year will be £140,000. The added £120,000 is the possible cost of hiring further generating plant to cover No. 8.

HON G T RESTANO:

Can the Minister say on this.... Let us take the first of all the hire of the present plant. £140,000, and we have already spent £143,000. So now we are getting very near to £300,000. That I think is the correct reading of the figure. So would the Minister not now agree that the plant that we have there already is costing us very close now, between last year between 80-81 and now 81-82, to what it would have cost if we had purchased them outright in the first place.

MR CHAIRMAN:

No, let us not go round in circles. I think that question must be qualified. The vote that has been asked for, for £260,000, has nothing to do with the plant which has already been hired, it has got to do with the new plant. So perhaps you have not phrased your question properly.

HON G T RESTANO:

The Minister, Mr Chairman, said, that £140,000 of the £260,000 was for the plant that we already had. £140,000 and £120,000 for new plant.

MR CHAIRMAN:

No, I think you misunderstood. The £140,000 is for a further plant and the £120,000 for possible further

plants over and above this.

HON CHIEF MINISTER:

No, Mr Chairman, £140,000 is this year's hire charge of the four skids, and £120,000 is for the possibility of supplementing that to make up for No. 8 for this coming year only.

HON G T RESTANO:

My question was, would the Minister now agree, and I have been asking the same question time and again, whether now we are getting very, very close with the existing plant to the price that we would have had to pay if we had bought the skid mounted generators outright instead of hiring them.

HON DR R G VALARINO:

Mr Chairman, the answer to that is 'no', when we consider that in the light of the new Generating Station which is being built at the present moment. We went into this in detail, we explained this to the Honourable Member in detail especially what happens when we use the sets for a considerable number of times and then we are unable to see the sets.

HON G T RESTANO:

Mr Chairman, I am sorry, one cannot take it in the light of further developments and looking at it in the light of the figures actually spent and the figures that the Government is estimating that they will spend. Now we are getting into £283,400 provided there aren't any extra charges during the year, and that is that not much more than what this side of the House are lead to believe would cost Gibraltar for the hire of the four skid mounted generators.

HON DR R G VALARINO:

Mr Chairman, no.

HON G T RESTANO:

Mr Chairman, that is ridiculous, I think this is not so.

We were never led to understand, we were never told in this House, that between 80-81 and 81-82 it would cost up to nearly £300,000.

HON P J ISOLA:

Mr Chairman, I support my Honourable Friend because I am sure the Financial and Development Secretary will recall that after we were given all the estimates of costs on hiring charges of the skid generators, I think it must have been in December or whenever it was last year, we voted only recently supplementary provision of about £70,000, so that the answer the Minister has given is self-evidently wrong. When we were recently told the charges, they were not included in that, the odd £70,000 we voted. And what the Honourable Minister is answering is telling us that it is exactly the same as what the Government has told us. That is absolutely wrong otherwise the Government would not come to the House for £70,000 about a month ago.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, hire charges for the skid mounted generators for last year and for this year will be £200,000 and not £280,000, because subsumed into this figure for last year was a figure of about £70,000 for actually installing them. That would have been necessary whether we had purchased or hired them, that amount would have been the same. That is not included. The total cost of purchasing the generators would have been about £470,000.

HON P J ISOLA:

Mr Speaker, I am sorry to have to say this. When we agreed, and when the House voted the money for the skid generators, we were given estimates of the total cost and hiring charges including installations and so forth. After that, about a month ago, it transpired that for the current year instead of the £90,000 or whatever it was we were asked to vote, we had a supplementary of £77,000 - odd and this only happened a month ago. Now if that had been envisaged at the time the Government came for provision to the House we would have been told. Something went wrong requiring this additional expenditure. Let us not be told now that that was what we were told originally because it is just

not a fact, that is not correct. We voted twice for the generating station, the first time for the skid generators we were told the hiring charges, as the Honourable Financial and Development Secretary has said correctly, we were told this would be the full cost and three months later we were told, no that is was a mistake, £77,000. We voted them. It must be in the mind of all members.

HON DR R G VALARINO:

Mr Chairman, with due respect to the Honourable Member the amount that he is referring to is £27,000 and not £87,000. It is £27,000 the amount that we have brought to the House to be voted on. The rest was the virement on which I was asked a question by the Honourable Mr Restano.

HON P J ISOLA:

But a virement, Mr Chairman, is the same thing as with the additional cost of that. Anyway it doesn't matter, I suppose it doesn't matter, what is a few £50,000 or £60,000 more!

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I think it is important that we get this point right. The reason why the cost of installing the generators was more than was originally considered was because the Electricity Department were unable to put them near the Naval Hockey pitches where they originally wished to put them and they had to be mounted on the battery along the promenade, Sir Herbert Miles Promenade, and that is why there is the additional cost.

HON G T RESTANO:

Mr Chairman, I cannot accept that. I am sorry. I cannot accept that because when the announcement was made that the skid mounted generators were going to be brought into Gibraltar it was before any meeting of the House of Assembly, I think it was last autumn, it was stated clearly by the Government - I read it in one of the local newspapers - that they would be sited where they are sited. There was no question then of their being sited elsewhere where the installation cost would be lower. And when we had a meeting of the House subsequent to that announcement we were told clearly that had they been purchased the cost would have been £395,000. There was no question of it ever

having been stated, at least that I can remember in this House or in any of the local press, that the Government wished to place those skid generators elsewhere. Certainly not when it came to this House.

MR CHAIRMAN:

I must most definitely mention in this House that another site had been considered. Of that I have no doubts at all.

HON G T RESTANO:

But when the cost was given to us, Mr Chairman, at the meeting after the announcement there was no question that it would have cost less if it had been taken elsewhere. I cannot accept that statement by the Financial and Development Secretary.

Mr Chairman anyway I think one has to decide whether one is going to vote for or against a particular item, it is as simple as that.

HON F J ISOLA:

Mr Chairman, of the additional provision being asked for, £120,000, can the Honourable the Financial and Development Secretary or indeed any Minister of Government point out an occasion where the House has been asked to provide a sum as large as £120,000 to guard against the possibility of expenditure. Is it the intention of the Government to have the additional generators in which case.... Well, the Chief Minister says, yes, but the Minister has been saying; the possibility of getting additional equipment. We should not be asked to vote money on the possibility unless it is a firm intention. If it is a firm intention to have additional equipment, can we be told: (a) how many skid generators are involved; (b) where the Government proposes to locate them; and (c) is it possible.

HON DR R G VALARINO:

Mr Chairman, the only thing I would like to say on that matter is that it is a firm possibility, and this is why it has been included in the estimates. As to the exact details of the plant and the amount of plant, and the power produced by the plant, is still under discussion and I am afraid I cannot give the Honourable

Member any further details at the present moment.

HON MAJOR R J PELIZA:

Mr Chairman does this mean it is really tantamount to a token vote, it might even be more than that when the Government has decided. Also could the Minister say if any amount, with regard to the installation of one or more of the skid generators he seems to be thinking about, are included in the vote.

Well Mr Chairman the Minister for Economic Development is saying this. I am not saying it, it is the Minister himself who is not making himself clear. Therefore, I can only make deductions from his confused thinking.

HON DR R G VALARINO:

Mr Chairman, I fail to see the Honourable Major Peliza's argument. Maybe I fail to see Major Peliza's arguments all throughout the meeting, but let me say that the City Electrical Engineer is actively pursuing the matter and as soon as we have details of the temporary generating plant which will be available the House will be informed.

HON MAJOR R J PELIZA:

Mr Chairman, he says that the City Electrical Engineer is pursuing the matter, the matter of what-1, 2, 3, how many, 1 or 2? If it is one maybe it may be £120,000, if it is two, it might be £240,000. And now is the installation cost included in that figure, that is what I would like the Minister to say. It is simple.

HON P J ISOLA:

What we want, if I may interrupt what my Honourable and Gallant Friend is saying, we want a breakdown of the figure of £120,000 which is a substantial figure.

HON DR R G VALARINO:

Mr Chairman, at this present moment I am unable to give a breakdown of the figure of £120,000.

HON G T RESTANO:

Mr Chairman, certainly we shall be voting against this vote.

May I also ask him to confirm that this is extra burden on the Gibraltar taxpayer by the Government not having in 1976 followed the Preece, Cardew and Rider recommendation.

MR CHAIRMAN:

No, no. Order. Do you wish to vote on this particular subhead now or do .....

HON P J ISOLA:

We want to go on talking about it.

MR CHAIRMAN:

It is not a question of talking, it is a question of seeking information on a particular item. If you have any questions most certainly, but we are not going to debate it in any way.

HON P J ISOLA:

I am not suggesting we debate at all. I think the Government is asking the House to provide money against the possibility. It has asked us to provide £120,000, it could have asked us for £1,200,000, it could have asked for £20m, I suppose. I think the House, before being asked to appropriate or to vote for any money, is entitled to know on what basis the Minister's Department is asking for £120,000. What is the basis for this request, because, Mr Chairman, if one looks at the £140,000 as the hiring charges for four skid generators, £120,000, by deduction, would seem to appear as if the Government was looking towards three skid generators. Are we right in these deductions? Is the Minister unable to say the sort of enquiry the City Electrical Engineer is making? Is it so secret that we have to wait? Is it that the Government envisages more power cuts in Gibraltar and is insuring against that? Does the Minister not think that the public

were entitled to have uninterrupted supply of power; are entitled to have an explanation of the way the Government is thinking and what it is doing in case there are power cuts? Are we to have no information from the Minister at all? Is that democracy?

HON DR R G VALARINO:

Mr Chairman, Sir, nobody has talked about skid generators except the Opposition. I have never mentioned skid generators. You assume everything. Let me say that the £120,000 I am able to illustrate to the House in this way: the hire around £80,000 and shipping, spares, installation and transport, about £40,000, bringing the total amount to £120,000.

HON P J ISOLA:

The hiring of what, can we ask that?

HON DR R G VALARINO:

Mr Chairmen, the hiring of the equipment that we have to look for in order to be able to make up the shortfall of No. 8 Engine.

HON P J ISOLA:

Can I ask then what is the equipment that Government is seeking? Do they know the equipment they are looking for?

HON DR R G VALARINO:

As I said before, Mr Chairman, we are actively pursuing the matter. Various options are available and it is impossible to say at this present moment of time what exactly the equipment will be. I have said to the Hon and Learned Leader of the Opposition that as soon as I have details I shall provide them to members opposite.

HON P J ISOLA:

Can the Minister tell us what are the various options open to the Government other than skid generators? Let me put it that way. Does he know?

MR CHAIRMAN:

In fairness to the Minister, I know what is worrying the Opposition and perhaps I shall stick my neck out. If the Government says they need this money to hire something and they know what the hire is going to cost they should be able to tell you what it is they intend to hire, but they have not in any manner or form mentioned the words "skid generators", it is the Opposition who have done so.

HON P J ISOLA:

I know it is the Opposition. I am saying that if it is not skid generators the Government is seeking can the Government tell us what is the equipment they are seeking in view of the fact they seemed to have made estimates for installation, for freight, for carriage, they must know what they have made all these provisions for? Surely, why is the Government so secretive on this? They are asking us to appropriate £120,000 of public funds without telling us any facts.

MR CHAIRMAN:

The Minister is being asked whether he can give details as to the equipment that he intends to hire.

HON DR R G VALARINO:

Mr Chairman, the options as I said are under debate, the options could be a gas turbine, could be further diesel engines, it could be somewhere in this region. As to the final decision on what type of generator and options we are going to take, no firm decision has been taken, so, therefore, I am unable to report to the House at the present time. But as far as the Honourable Member is concerned the options are either more diesel plant or something in the region of a gas turbine.

HON G T RESTANO:

What is the rating of the machinery which they are planning to bring in?

HON DR R G VALARINO:

By the rating the Honourable Member obviously means the

amount of power that the engine will produce. Obviously this will be the highest rating that we can get for the money available.

HON G T RESTANO:

What is it for £80,000? How much new generating power will we get for £80,000?

HON DR R G VALARINO:

It certainly depends on the decision taken by Government as to whether the engine will be diesel or whether it will be....

MR CHAIRMAN:

You are being asked what is the generating power of the plant that you intend to bring out?

HON DR R G VALARINO:

It is impossible to define.

HON G T RESTANO:

Mr Chairman, if it is impossible to define how is it that they have estimated £80,000 for the purchase or the hire of this equipment?

HON CHIEF MINISTER:

Mr Chairman, this is a matter which is under debate between the technical people in London and Gibraltar. This is the best information we have of what it is likely to cost. We cannot give more information. If we had not provided anything and had had to come back for a supplementary the answer would have been, why didn't you raise it at Estimates time. Because it is at an early stage in the negotiation we cannot give more details. We could be here until doomsday asking the same question backwards and forwards. It is just not possible. It is the best estimate that can be produced by any Chartered Engineer who knows what he is saying, who are in consultation with the suppliers and the people in England who are helping us in this matter and we cannot go any further. Hon members who want to vote for it are perfectly entitled to do so but that is all we can say now.

MR CHAIRMAN:

I think we are not going to get any further information.

HON G T RESTANO:

I would like to ask something else. The £40,000 which has been estimated for the installation; where is it intended to instal any such equipment that may come in?

HON CHIEF MINISTER:

That is another matter which is still under consideration. It will depend on the size of the plant.

HON P J ISOLA:

Could I ask, perhaps, what is the generating capacity of No. 8 Engine that we have lost?

HON CHIEF MINISTER:

One megawatt.

HON P J ISOLA:

So it is not unreasonable to assume since the Government told us when they installed the skid generators that that was all they required, all being well and no other engine conking out until they installed or created the new power station, would I be correct, in view of the fact that only one engine has conked out of one megawatt, that that is all the Government is looking for. A one megawatt generating capacity or was the statement made to the House when the skid generators were announced wrong, inaccurate and misleading?

HON CHIEF MINISTER:

No. The point is quite clear. We are out for something in this region and we will see the best we can get. Obviously if we could get 1½mW or 2mW and the size and the price are right, it may well be a good investment for a year's hire, and that will ensure, the continuity of supply which we hear so much. This is all at a stage of study and negotiation. We cannot go any further.

HON P J ISOLA:

Mr Chairman, we are concerned on this side of the House that there should be a continued supply of power. We are also concerned that we should be given accurate information and that the public should be given accurate information. The Government should not come on television and say that they are going to get something and it is going to be alright and then we are told today they are only replacing what has been lost by No. 8 Engine and the Chief Minister, in his brief intervention which leads us to think they know rather more than they are willing to tell, tells us if we can get two megawatts, another extra megawatt, Mr Speaker, so much the better. We are already talking, if the Chief Minister gets two megawatts, of the whole five megawatts that he promised we would have by April 1981. This is not just one megawatt, if we need another megawatt, perhaps they will get another four megawatts and we would all be happier. But it is costing £7m/£8m to have ten megawatts and the Chief Minister is talking of another megawatt as if it was peanuts. It is quite a considerable amount, and when I think the public are entitled to know, and the House since the Government is not willing to tell us, the public should be told the truth, and this is why this side of the House has been hankering after and asking for a public inquiry, because we must be very concerned that at this time last budget there was no question of any other temporary generating capacity, and by the time this budget has come we have two requests from the Government for extra generating capacity for funds to be voted and that is a matter of concern.

MR CHAIRMAN:

I accept that, I'll ask you whether you want to take a vote on this item now or when we finish this particular subhead. I will not allow any further discussion on this matter.

HON P J ISOLA:

May I say that we are going to vote against the whole departmental vote to show our thorough dissatisfaction with the way that department is run.

HON G T RESTANO:

Item 83. Can I have clarification that it is because Government intends to hire more plant than it has

estimated that the supplies from the Inter Services Generating Station will be only £50,000 when last year it cost them £119,900?

HON DR R G VALARINO:

Mr Chairman, obviously because this year we have more available plant.

HON G T RESTANO:

But that means therefore that a decision has been taken to hire more plant, otherwise the £50,000 figure is....

HON DR R G VALARINO:

If the Hon Member will give way. Mr Restano tends to forget things so easily. He tends to forget that No. 13 had a major overhaul last year lasting 12 to 13 weeks when we had to rely on the Dockyard for help. No. 11 Engine will be ready towards the beginning of May and this will be an extra amount, and that we have four skid generators. Therefore, the amount that we intend to rely on the Inter Services Generating Station will be much less than we have relied this year, this is without taking into account the possibility which the Honourable Members have debated about of the additional generating capacity that we want to see regarding No. 8 which is presently out of action.

HON G T RESTANO:

Can I take it then that what the Government is forecasting is that all the remaining engines, particularly in King's Bastion (North) and the remaining ones in South, will continue.....

MR CHAIRMAN:

With due respect, I am going to be very ruthless. You are entitled to say exclusively whether the Government is forecasting that the only amount they will need to pay the Inter Services Generating Station is £50,000 for the coming year, for whatever reason, but we are not going to go into details that we have discussed in this House before. It is as simple as that. In other words if they are satisfied that with £50,000 they can meet their requirements

for the use of the Inter Services Generating Station, it is as simple as that, that is what we are discussing.

HON G T RESTANO:

It is my own question which has been re-interpreted by yourself, Mr Chairman, but if they don't even answer that one, a detailed answer.

HON DR R G VALARINO:

The answer to that question, which was re-interpreted by you, the answer to that is, yes.

HON G T RESTANO:

Could we merely know on what basis that answer has been given.

MR CHAIRMAN:

I think the basis has been given already, that there has been an overhaul of No. 13 which has already been completed and, therefore, they do not expect to have to rely on the Services.

We will now take a vote. I did hear the Honourable and Learned Leader of the Opposition say that they were going to vote against the whole of the Departmental vote. You cannot do this, for the simple reason that you have already taken votes on Personal Emoluments and Other Charges, but you most certainly can vote against Special Expenditure and this is what we are going to proceed to do.

HON P J ISOLA:

All we are interested in is, Mr Chairman, to show our deep protest at the incompetence of the Government where power generation is concerned, which continues unfortunately for the people of Gibraltar.

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

The Hon I Abecasis  
 The Hon A J Canepa  
 The Hon Major F J Dellipiani  
 The Hon M K Featherstone  
 The Hon Sir Joshua Hassan  
 The Hon J S Perez  
 The Hon Dr R G Valarino  
 The Hon H J Zammit  
 The Hon D Hull  
 The Hon R J Wallace

The following Hon Members voted against:

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

The following Hon Member was absent from the Chamber:

The Hon J Bossano

Special Expenditure was passed.

#### Head 5 Fire Services - Personal Emoluments.

HON G T RESTANO:

On Personal Emoluments I wish to repeat what I said earlier during the general debate and that is to congratulate again the members of the Fire Service for their excellent work throughout the year.

Personal Emoluments were agreed to.

#### Other Charges

HON G T RESTANO:

I would just like clarification on one, Mr Chairman, subhead 11. Is that the in-service training which the Minister referred to during his contribution to the general debate?

HON DR R G VALARINO:

Mr Chairman, that vote of £3,000 is one officer on a six-week Fire Prevention course in the United Kingdom and one officer on a three-week shipboard Fire Fighting course, plus the staff training here in Gibraltar.

HON G T RESTANO:

With due respect to the Minister, all I asked him was whether that was the in-service training that he had brought up during his intervention during the general debate?

HON DR R G VALARINO:

Yes, part of it is.

HON G T RESTANO:

Was there something more to the in-service training?

HON DR R G VALARINO:

Yes, obviously part is the in-service training and part is the out-service training that we have to pay for.

Other Charges were agreed to.

#### Special Expenditure

HON A T LODDO:

On subhead 18, purchase of a Range Rover. What kind of vehicle is this?

HON DR R G VALARINO:

Mr Chairman, I hope the Honourable Member has seen the Range Rovers that we have doing an excellent job throughout Gibraltar. This is a Range Rover the same as the other Range Rovers. The problem is that at least one of the other Range Rovers is getting beyond its period of usefulness, and this is a token vote so that we can order a Range Rover this year for delivery next year.

HON A T LECHE:

Mr Chairman, the reason why I ask this is that I have been led to believe that this was a vehicle mainly used in cases of road accidents. Not a recovering vehicle, a vehicle used mainly in rescues in traffic accidents.

HON DR R G VALARINO:

Mr Chairman, if I may. This is a replacement for the Sedford Fire Tender which was bought in 1959 which is now far too expensive to maintain...

MR CHAIRMAN:

You are being asked, is this the fire tender?

HON DR R G VALARINO:

It is the fire tender. Nothing more than a fire tender.

HON G T RESTAND:

Mr Chairman, can I have more details on subhead 81 Purchase of Foam Making Equipment?

HON DR R G VALARINO:

Yes, Mr Chairman, this is a viable piece of equipment and consists of two sections, a Turbot High Function Foam Generator and a portable monitor. These pieces of equipment are required to deal with incidents in the Port area and other marine risks which have now become the responsibility of the local Fire Service as a result of the handing over of the North Mole. This equipment is most adequate for the production of foam and will replace some of our obsolete foam making equipment.

HON G T RESTAND:

Will this be used exclusively by the department or will it be for sale to the general public.

HON DR R G VALARINO:

Mr Chairman, this will be exclusively for the department as

it has a very essential service really for foam making equipment as far as the Port is concerned.

Special Equipment was agreed to.

Head 6 Governor's Office - Personal Emoluments were agreed to.

Other Charges were agreed to.

Special Expenditure was agreed to.

Head 7 House of Assembly - Personal Emoluments.

HON MAJOR R J PELIZA:

Mr Chairman, as you know I raised in the general principles of the Bill the question of the indexing of Hansards. I just wondered where I shall be able to raise it with the Chief Minister along these estimates I just don't know where I should do it, now under Personal Emoluments.

MR CHAIRMAN:

You should not raise it with the Chief Minister; you should raise it with the Speaker. You should raise it with the Speaker. I would suggest that you write a letter setting out what you feel should be done and then I will consult the Rules Committee as to whether they feel that such a service should be granted.

HON MAJOR R J PELIZA:

Mr Chairman we have already gone into this in the past. I have a feeling that you were going to look into this in fact. This goes back about two years and I have in fact been raising it consistently.

MR CHAIRMAN:

I know that you have approached not only me but the Honourable Chief Minister and the Leader of the Opposition

on the matter, that I most certainly accept. I think you have mentioned it in the House I think for the past few years but no firm commitment has been entered into in any manner or form. I feel that if you feel strongly on this one you should lay your claim and if you write me a letter setting out your feelings and what you want done then I will take the appropriate steps.

HON MAJOR R J PELIZA:

I mean I can write a letter, Mr Chairman, but it is simple. All I am asking for is an index of the Hansards.

MR CHAIRMAN:

It is not as simple as the Honourable and Gallant Major Peliza thinks. May I suggest it is one thing to say that you want an index, it is another thing to say what kind of index you want because an index can be of subjects, of topics, of departments, how do you prefer an index. You have not specified in that respect.

HON MAJOR R J PELIZA:

I say an index, and I am sure that the CPA in fact where I have seen them before, have a system of their own which I think is very simple and I have in fact, if I remember rightly, mentioned this to you before. Now, whether you want me to go into how the index should be done, which is not what I suggest I think that the House....

MR CHAIRMAN:

No, no, with due respect to the member I have not suggested that you should say how it should be done, I have asked you to tell me what particular kind of index you want.

HON MAJOR R J PELIZA:

But it is laughter that we get from the Chief Minister, Mr Chairman, and I wonder what is so funny about an index of Hansards that makes him laugh.

HON CHIEF MINISTER:

What is funny is that the Honourable Member should not know

that there are various kinds of indices and that is what I am laughing at, that shows his big ignorance like everything else on which he speaks here.

HON MAJOR R J PELIZA:

There are different kinds of indices, I am not suggesting any kind of index, all I am saying is an index. Which is the best kind of index I think one can give in our circumstances for people who know about that. I am not an expert I don't know, perhaps the Chief Minister is an expert on indexing. If he is he could tell the House now and tell us what and how we should do it. I am not an expert but I do expect this House, if we really believe that we should have an index, that the House should decide if necessary to employ a person who is knowledgeable on the subject and decide what is best for this House and not expect me to do it. After all I have put a suggestion, but I cannot see why the Chief Minister should find it so funny.

MR CHAIRMAN:

No I don't think that it has ever been suggested that the Honourable and Gallant Member should prepare an index. I think that in the light of what has been said I will give an undertaking to this House that I will write to the Rules Committee giving them an extract of what has been said and asking for suggestions.

HON MAJOR R J PELIZA:

That is a much more satisfactory situation. I am much more pleased with your answer.

HON CHIEF MINISTER:

Mr Speaker, I think in fairness, because you are responsible for this, it will be less than justified if I do not mention the efforts that you have made with the Establishment and with your staff, and so on, to be able to get Hansards out quickly, and it is perhaps a little unfair that one should be so critical about the fact that there has been this request for an index for a long time and it has not been obtained, because we have improved as a result of your efforts in the production of the Hansards. If it is a matter of "subject matters," as far as the Honourable Member is

concerned he doesn't really need an index because he speaks on everything.

HON MAJOR R J PELIZA:

I am in no way Mr Chairman being critical on how the Hansards have been produced or how the staff have been working. I think the Chief Minister is assuming a lot of things that I haven't said. What I suggest Mr Chairman, is that if we need more staff now that the Chief Minister, who is the Leader of the House, should propose that more people be employed at the House. That is his duty, Mr Chairman, he should not pass on the burden to me.

MR CHAIRMAN:

Order, order. I think that in fairness to the staff as such that we have in the House, which is basically the Clerk, an Audio Typist and a Clerical Officer, I think we produce Hansards exceptionally quickly. I can say this because it is no credit to me but credit to them. On the other hand if an extra burden is going to be placed on us, and we are being put in a position where we can hardly cope with work now due to the work that is being done by the different Select Committees and particularly the Public Accounts Committee which require its own Hansards, then we must have a look into the adequacy of our staff, no nonsense about it. I think we have said enough on this one.

HON G T RESTANO:

As Chairman of the Public Accounts Committee, I realise the enormous amount of work that the Clerk of the House does have to do, the added work that has been given to him since the last elections, he is the Secretary to the Public Accounts Committee, there is a Select Committee on the Matrimonial Causes which I understand also takes up a lot of time and I wonder whether in fact it would not be the right time to have an assistant for the Clerk.

MR CHAIRMAN:

Without wishing to say more, without wishing to disclose things that I mustn't, I was very taken by the words that the Honourable the Financial and Development Secretary said this morning about

recommendations by staff inspectors and that he himself has had occasion to disagree with recommendations from the staff inspection unit, I will say no more, but let us hope that what has been said in this House this afternoon will be conducive to achieving improvements in our staff that we very much require.

HON P J ISOLA:

Mr Chairman, I am very glad to hear that because I think despite the furor that has gone round what my Honourable and Gallant Friend asked, the indexing point is a good one, precisely because the House or your staff, Mr Chairman, has given such superb service in producing Hansards, we are finding ourselves with volumes of them and I think indexing would be very useful, not just for ourselves, but as the Honourable and Gallant Member said, for anybody who wants to look at our records. So don't you think, Mr Chairman, one could invite the Government to put a little money in the estimates to guard against the "possibility", in inverted commas, of this being required and agreed to and thus prevent them from the boring exercise of having to come to the House with Supplementary Provisions as in the previous vote!

MR CHAIRMAN:

No, no. I think we should rely on supplementaries.

HON CHIEF MINISTER:

The elected Government initially has nothing to do with the enquiries that are required on the staff and the administration to do that. As you yourself have said we are not concerned directly. Of course if it is recommended we will provide the funds. It is not a question of our providing the funds and then other people having to do the selection and so on. It is extraordinary that a man who has been in office for some time that he should still think that we can provide a little money out of a hat and the rest follows.

HON P J ISOLA:

Mr Chairman, if the Chief Minister will forgive me, I am only following the example that the Government have set in the previous vote where they have put £120,000 to guard

against possibilities.

MR CHAIRMAN:

No, no, we will leave the matter as it stands and I am sure that if we need supplementary funds they will be voted in due course. Now, back to the House of Assembly, Personal Emoluments.

Personal Emoluments were agreed to.

Other Charges.

HON CHIEF MINISTER:

Mr Chairman, I think I should highlight item No. 5, which is the cost of meeting the Regional Conference this year which we are hosting and which covers not only the expenses of their coming here but of putting of the chamber and the lobby, particularly the lower lobby, and the whole building in a reasonable state. It is always good that something like this should happen from time to time so that there is an urge to do the things that are required, and we are grateful to you for the interest you are taking in this.

Other Charges were agreed to.

Special Expenditure was agreed to.

Head B Housing - Personal Emoluments were agreed to.

Other Charges.

HON P J ISOLA:

Mr Chairman, item 6 Supervision of Crown Properties, that goes up on the revised estimates by over £30,000. When we are talking of Crown Properties are we talking merely of Government Housing, or does this include schools, and other Government Buildings.

HON H J ZAMMITT:

Mr Chairman, the whole amount refers to Housing.

HON P J ISOLA:

Can I ask what is the sort of supervision that the Honourable Member is talking about now that the Lands and Works Department does all the maintenance. Could

I ask who is the chap who does the supervision? Is it one of the officers in the establishment of Housing or from some other department?

HON H J ZAMMITT:

They are all employees of the Housing Department forming part of the Warden Structure. We have Wardens in all the different estates and in Centres, Sir.

HON P J ISOLA:

Is this just the Warden Structure vote?

HON H J ZAMMITT:

The Warden Structure in its entirety together with the Cleansing Section of the Warden Structure.

HON P J ISOLA:

All employed by the Housing Manager.

HON H J ZAMMITT:

That is right. Yes, Sir.

HON A J HAYNES:

On this maintenance for Government Housing we have this very large decrease which is as I understand from the Chief Minister's contribution due to the Public Works taking over a large section. What is £47,000 for?

HON. H. J. ZAMMITT:

Mr Chairman, Sir, I will not go into the decrease since it has been explained I think by the Chief Minister in his opening speech and by the Financial and Development Secretary about this going back to Public Works Department. The £47,300 is the salary for four craftsmen. We have a small maintenance gang consisting of four craftsmen and four labourers and one driver that do the emergency minor repairs in the rehabilitation of houses, normally in pre-war accommodation.

HON. A. J. HAYNES:

And does this substantial decrease in finances also mean considerable less responsibility for the department?

HON. H. J. ZAMMITT:

No, Mr Chairman, what it means is as can be recalled some years ago, the then Financial Secretary thought it appropriate to bring the upkeep of the Housing Maintenance Vote into the Housing Vote from a Funding point of view to see how much Housing was costing. As was mentioned, I think, by some members opposite yesterday, it was that although the money was under Housing it was really controlled by the Director of Public Works. It is now considered more appropriate that money should go back to Public Works because really the Housing Manager had no control over that particular vote. So Public Works will still continue to do the maintenance on Housing but it will come out of their vote and not out of the Housing Vote.

HON. J. BOSSANO:

On item 7. Could I ask the Minister to what extent the department has got discretion in deciding whether minor maintenance jobs should be done by the labour that they control directly rather than being given to Public Works.

HON. H. J. ZAMMITT:

Mr Chairman, Sir, the maintenance that Housing prefers to carry out are those jobs that do not entail obviously major repairs. Now, the maintenance gang originally was brought into the department to carry out the small jobs in cases of emergency. When refurbishing a vacant pre-war house we put our gang in and within two or three days the

pane of glass and the little bits here and there that required doing up could be done as a matter of urgency, and knowing Public Works commitments it meant that we had occasions where houses, particularly pre-war houses, were left unoccupied for too long a period. Now the kind of job the maintenance gang does is mainly the doing up of Transit Centres, when people are moved around the pre-war minor jobs, we certainly do not go into big jobs, we have only got 4 craftsmen, a plumber, a mason, a carpenter and an electrician, the maintenance gang is composed of that, and of course the PTO IV; a supervisor and four labourers. They do very small repairs, minor plastering, tiling and the like.

HON. J. BOSSANO:

I think the Honourable Member has not answered the point that I was making. We have got a vote that has a ceiling on it, we have got provision for a certain number of people in a department, now what I am saying is, to what extent can the Housing Manager can the department decide that it is more beneficial to have the works done by its own labour rather than put it out to Public Works, and if in fact the Minister recognises that the priorities will be different in the Public Works from what they could be in his own department then clearly exercising that direct control means that if he has got a number of properties that need to be brought up to the necessary standard to be allocated, he can devote the resources, if he controls the labour to the properties which are more important to him whereas the priorities in the Public Works Department might be different. I am asking to what extent the Housing Manager or the Minister can channel work to his own gang rather than to the Public Works Department and whether there is not a case in fact, if the directly-controlled labour is producing a more effective return, for putting more work in their way, perhaps decreasing the amount of money devoted to Public Works, and increasing the amount of money devoted to the gang which is controlled by the Department itself.

HON. H. J. ZAMMITT:

Yes, Mr Chairman, I take the Hon Member's point, it is a point which I have made before and may I say the Public Works Department has on occasion, they have said OK, well

you can take the whole housing maintenance. We feel that it was not necessary. We certainly have a say as to priorities, that I can assure the Honourable Member opposite. We always have some complaints about it but we do ask the Public Works Department if there is a specific place that we want done as a matter of priority, we can of course, and they do in all fairness try to assist and accommodate as best they can by giving preference to that particular house if it is of a post-war standard that requires possibly a little more work. But going back to the maintenance gang of course the Housing Manager is in total control of them and he puts them round as he feels his priorities are, but if the question the Honourable Member is asking is do we have a say in housing maintenance, I would like to say, yes. In all honesty I must say that when they have asked Public Works to do something as a matter of urgency they have done it for us.

HON J BOSSANO:

I think the Hon Member still misses the point, Mr Chairman. If in fact the Housing Department has got a number of properties that need to be renovated in order that they are brought up to the standard necessary to make them suitable for allocation, the amount of money, the resources available within the Department are limited by this vote. What I am saying is that to the extent that the Department may be getting a better product, a better return for the money, by the flexibilities it enjoys with a small gang, is the situation that the Housing Manager finds that there are other places which he just cannot deal with because the money is not there and he has only got four craftsmen and four labourers and therefore he has to put those out to the Public Works whether he likes it or not, and if this is the case, is it not the situation then one where we should be looking at the possibility—the revised estimate is £1,033,000 in fact if we look to the Public Works vote we find that there is £1,152,000 this year in the Public Works vote on Housing Maintenance. So effectively we are spending £1,200,000 on maintenance of which £47,000 is going to be controlled directly by the Housing Manager and £1,152,000 is going to be controlled by the Public Works Department. The division between the two is determined by the fact that you have got eight people directly employed in the Housing Department and the number of people that make up the £1,152,000 employed in the Public Works. What I am saying is that in terms of the flexibility that this gives the Housing Department to decide their own priorities

and the deployment of a staff that is under their direct control, in terms of the return that they get from the expenditure of this money, is there not a case for putting more of the money under this Head and less of the money under the other Head without affecting the overall ceiling of the amount that is being spent on maintenance, if in fact this would give a better return for the money.

MR CHAIRMAN:

You are being asked a simple question, whether by increasing this vote at the expense of the Public Works vote you would be getting a better service for your requirements?

HON H J ZAMMITT:

I take the point. Yes, possibly so, Mr Chairman. I feel very proud of the little gang that we have but what I would like to tell the Honourable Member opposite is the fact that mainly this small gang deals with pre-war accommodation which is every day, getting smaller and smaller. In all honesty, despite the fact that I could say, yes, if we could go into the post-war housing, certainly there would be a case to augment this gang by decreasing the Public Works side. But at this present moment I don't think it is really necessary. It is something I have certainly considered in the past, Mr Chairman, and in fact my colleague the Hon Minister for Public Works has said, well, alright there is no reason why we should not pass this over to you, but at this stage I don't think it is necessary. But it is something I will always bear in mind.

HON M K FEATHERSTONE:

Could I just explain, Sir, that there is a slight difference. The main amount of the money that the Public Works has in their vote against Housing is to do requisitions from the tenants. As my colleague has said what his squad mainly do are minor rehabilitations. When they are major rehabilitations then the Public Works do them. A minor rehabilitation would not need, for example, any work done in the Carpenter Shop etc., etc., whereas if the work that had to be done is more of a major necessity, or a major re-wiring job, it is then done by the Public Works Department. If it is a small job, a piece of property has been left and it just needs the walls painting and a little bit of plastering and perhaps a

plug fitted in, then my Friend's squad do it.

HON A J HAYNES:

Head No. 8, Housing Estate Staircase Lighting. Can I have a break down of that figure as to wages, or is it just all lighting?

HON H J ZAMMITT:

This is the cost to the Housing Department on staircase lighting. I would say of course that there is an element of this clawed back within the rent structure. If I may from memory, Mr Chairman, I think people pay something like 10p. There is no wage at all, it is just electricity consumed.

HON A J HAYNES:

Is the Minister satisfied that the Housing Estates under his control are properly lit?

HON H J ZAMMITT:

I think they are properly lit, Mr Chairman. It is costing the Government an enormous amount of money.

HON A J HAYNES:

In Question 87 of 1981 I asked the Minister for Public Works to enquire into the staircase lighting of Jumper's Building and I was wondering whether in fact that has been looked into and whether this now reflects expenditure for lighting which until now was not being spent.

HON H J ZAMMITT:

I cannot remember the Jumpers Building...

HON A J HAYNES:

Question No 87 "Will Government state whether it is satisfied of the present condition of Jumper's Building and if not what measures are proposed for its improvement". After the reply, I asked "Apart from the structural problems" a question on lighting. "Would the Hon Member,

that is the Minister for Public Works "look into the smaller or more trivial problems which seem to haunt that building," and the reply was "I haven't been aware that anything to do with lighting as a problem but if it does exist I will look into it" Now I would like to know whether the staircase lighting vote will include sums to be spent on the lighting for that building.

HON H J ZAMMITT:

Mr Chairman, the lighting is for all Government-owned properties in Gibraltar and all that we are doing here is....

MR CHAIRMAN:

With due respect, we are talking at cross purposes. We are not talking about a vote to improve the lighting system in Public Buildings, we are talking about the actual consumption of electricity.

HON H J ZAMMITT:

That is what I am concerned with, Sir.

HON A J HAYNES:

Will this consumption include consumption from Jumper's Building?

HON H J ZAMMITT:

Most certainly, yes.

HON A J HAYNES:

Well it can only include consumption from Jumper's Building if somebody has gone round there to repair it. Has anybody been?

HON H J ZAMMITT:

I am afraid I am not responsible for the repairs of the lighting. If it has been out and it has been reported to the Warden Structure I am sure they will have been round and repaired them, Mr Chairman.

HON A J HAYNES:

It has been reported by me in Question No. 87 of 1981.

HON H J ZAMMITT:

Yes, Mr Chairman, but I don't send demand notes because the Hon Member asked a question. If tenants there find that the staircase lighting is not operative then they should contact the Warden Structure, which is about two yards away from them, and let them know.

MR CHAIRMAN:

The answer is that he doesn't know, because he is not responsible.

HON A J HAYNES:

Item 9, Rent Relief Differential Scheme. This is the money that Government pays to make up for the people who don't pay full rent, am I right?

HON H J ZAMMITT:

That is right, yes, Sir.

HON A J HAYNES:

It is also true, I imagine, that among those who are receiving rent relief are a number whom the Minister would like to participate in his game of musical chairs, am I right?

HON H J ZAMMITT:

That is absolutely right, yes, Sir.

HON A J HAYNES:

Does the Minister send a letter to these people asking them to move, and is it the same letter as he sends to any other tenant of a Government Housing Estate?

HON H J ZAMMITT:

We have only sent letters, Mr Chairman, in circumstances of people on rent relief that have been overhoused, when they undertake, by way of final form, that they will accept smaller accommodation when

this is made available. In such circumstances when we have smaller adequate accommodation to give them, we send them a letter saying that we are now in a position to offer them smaller accommodation.

HON A J HAYNES:

Will the Minister look at this matter because I have reports that there is an element of bullying, and even if it does not exist as bullying direct, that the people who are on rent relief are not exactly aware of their rights as to whether or not they should be obliged to move and I would rather like the Minister to enquire into this.

HON H J ZAMMITT:

I very much doubt that, Mr Chairman, because I have been present on many occasions when people have come in, I think it is every three or six months, in applying for rent relief where they undertake to move to smaller accommodation when offered. On those grounds they get rent relief. It is not a question that people do not know their rights, their rights are that if we offer them adequate, and I emphasise the word adequate because it must be of a post-war standard with all the modern conveniences, before we are able to ask anybody to leave an overhoused situation to go into something which suits their requirements.

HON J BOSSANO:

On subhead 9, I would like to ask the Financial and Development Secretary whether he would not agree that there is a case for dealing with this really as used to be done going back to the times when we had Notional Housing Accounts. Going back to 1972/73 the Rent Relief Differential Scheme was chargeable to Head 9, subhead 11, under the Labour and Social Security. Under the Landlord and Tenants Ordinance, the Rent Relief Scheme applies to rent-controlled private sector dwellings as well as to Government dwellings, and there seems no reason why this should be met by the Housing Department and be part of the expenditure of the Housing Department. I think if we are looking at the economics of the Government provision of housing with Government acting as a landlord then clearly there is a logic to the social expense of meeting the shortfall between what a person can afford and what the rent should be being a social payment coming out of Labour and Social Security rather than out of the Housing Account.

HON H J ZAMMITT:

Before the Financial and Development Secretary replies, the Member is absolutely right. It used to be under the Social Security and this is what I referred to in 1977 when it was considered to bring the Public Works Maintenance Vote into Housing, and the Rent Relief into Housing, because the then Financial and Development Secretary was trying to find out the total cost to Housing, but I take the point fully because we do pay for non-Government Housing out of that particular vote. It is a social need more than a Housing need.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, this is a point that can be looked at but I would emphasise that this cost is not reflected in the Housing Fund.

HON J BOSSAND:

Well, in fact it is shown because it is part of the expenditure on the debit side of the Funded Account, is it not? When we have the Housing Fund at the end of the Estimates surely the total charges under Other Charges includes this figure since it is part of the expenditure on the Estimates.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Sir, it doesn't.

Other Charges were agreed to.

Special Expenditure

HON MAJOR R J PELIZA:

The £900 of Furniture and Equipment. I remember seeing that office about three years ago and it was in a terrible state. In fact I wondered how people could work there. Is the Minister satisfied, unless there have been great changes since I saw it, that those £900 is going to make the position any better, or substantially so?

HON H J ZAMMITT:

I can assure the Member that since three years ago we took over the offices that belonged to the Statistician and we have improved slightly the appearance of the office. I

I think the Honourable Member may be a little better disposed than he was a few years ago. But the £900 comprise the need of one desk, four calculators, one typist's chair, four filing cabinets, and one typewriter.

HON MAJOR R J PELIZA:

Let the Minister get me right. What I was suggesting was, was it necessary to spend more money on it.

HON H J ZAMMITT:

That is most generous of you.

Special Expenditure was agreed to.

Head 5 Income Tax Office - Personal Emoluments

HON A J HAYNES:

A general question, I do not know where I should put it, can the Minister tell me how many taxpayers there are in Gibraltar?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Twelve thousand.

HON A J HAYNES:

And how many companies are there paying tax in Gibraltar?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am sorry, Mr Chairman, I take note of that question and let the Hon Member know.

Personal Emoluments were agreed to.

Other Charges

HON MAJOR R J PELIZA:

Subhead 4, Rent of Office and Service Charges. I am looking right across the line of those charges, Mr Chairman, and I find that the approved estimates 1980/81 was £10,300; the revised was £11,200; and now the estimated one for 1980/81 is £10,400. I do not know how that works, but I wonder if an explanation can be given, and also the 1979/80 was £7,300, quite a jump between 1979/80 to 1980/81.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, the jump between 1979/80 and 1980/81 is because rents and the service charges, which is included under this head, went up considerably. The fall in the amount between the revised estimates and the provision now sought is, I believe, and if I am wrong I shall let the Hon Member know, the fact that each year we make a provision for a shortfall on the service charges. The service charge is set at a figure and the actual figure is not known until later in the financial year. I think that last year the amount to be paid was rather higher than expected and we came for a supplementary and got it. This year the actual rent is £7,300, service charge £2,560, and the provision for the shortfall is £540, making the £10,400.

HON MAJOR R J PELIZA:

Since obviously I doubt whether the Income Tax Office will ever not be required, it seems to me that this is going to go on for some years, are there any plans in the Government's mind at all for acquiring an office the property of which will be that of the Government without having to pay such high rents which obviously will be on the up and up all the time?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, there is an Accommodation Committee in the Secretariat working to the Deputy Governor and they are looking at the longer term requirements of office accommodation for the Government Service with the aim of getting rid as quickly as possible of the rented accommodation, which I agree is expensive. We should rid ourselves of this burden as quickly as possible. Unfortunately, and I stand to be corrected by the Minister for Economic Development, but I think that the chances of getting any move until the Girls' Comprehensive School is completed and the chain move then begins are very unlikely, and that is possibly not until this time next year at the earliest.

HON MAJOR R J PELIZA:

That is very satisfactory. Finally, this other one which is rather an interesting one: Remuneration to Agents in the United Kingdom £1,800. What is this?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

We have an agency in the UK who operate on our behalf and collect taxes etc for us there. But perhaps whilst I am on my feet, which is much more pertinent, is a new subhead Investigation Expenses of £5,000. It is possible that a member would have asked on this but if I may I would like to explain it because it is rather important. With investigations which are being undertaken now by the Income Tax Department, it can arise that we would need in a specific case to make enquiries in a number of financial centres throughout the world. To send our own investigator round where he is not known, and the cost of this, would be very difficult. We have put this amount of money in so that we can hire a firm of Chartered Accountants who have offices in the countries concerned who can make the enquiries on our behalf and report back to us. I think I can assure the House that any money that we lay out on these expenses would be amply recouped by the tax that we hope to get.

HON MAJOR R J PELIZA:

When you say 'collectors' in the UK what does it mean, I just do not follow? I understand the investigating one, I just do not understand the work of the agents.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

We have had an agent in the United Kingdom for many years and this has gone on £1,500 without any change for a long time, and he merely acts on the instructions of the Commissioner of Income Tax here to pursue any tax case where an element has arisen of taxation here where a person returns to the UK. If, for example, I return to the UK at the end of this financial year and I am paying tax and it has to be pursued he pursues it on our behalf.

HON MAJOR R J PELIZA:

Thank you very much.

Other Charges were agreed to.

Head 10 Judicial - (1) Court of Appeal

HON P J ISOLA:

On the Court of Appeal, I would like to raise, and I think it is equally applicable to the Supreme Court and to the Magistrates' Court, I suppose I should better declare an interest, Mr Chairman, as a member of a firm of lawyers, but I think I ought to bring it up, it is the question of legal aid and assistance.

It seems to me that the votes for legal aid and assistance is fairly modest by any standards, which seems to show that not many people are getting legal aid, and I just wonder whether the rules for obtaining legal aid ought not to be looked at because one has the experience of people who seem to require assistance but don't take it because of the difficulty of getting legal aid; that is one side of it; the other side of it, and perhaps I should declare another interest in this although I do not do the work myself personally, I do not normally do any legal aid work, is the rates that are being paid for legal aid which seem to me from what I hear to be low. I am not worried, well, I am worried obviously because people should be paid for their work, but what worries me is that if fees are not reasonable in legal aid you will get the position of lawyers not being very happy about it at undertaking legal aid and as a result defendants who should be properly defended and advised may find that they have difficulty getting such assistance. I mention this because I had heard complaints from younger members of the Bar about the rates of fees that are paid, and I think that, everybody being human, must then not be very happy about undertaking legal aid work and as a result you may get a lot of people who should be represented and are not because the level of remuneration does not seem to be reasonable. I would like the Attorney-General, if he would look into it or say something about it. The other point of legal aid and assistance does seem to me to be low. Have the rules been amended for granting legal aid? Does the Government get any complaints of people feeling they cannot take cases to court because they do not qualify for legal aid and are unable to afford it? I would like to hear something about this.

HON ATTORNEY-GENERAL:

Can I take the two points in reverse order. On the first point I am aware of the situation represented by the Hon and Learned the Leader of the Opposition. The matter of raising of legal aid has been under review, he may be aware that there has been a committee doing some work on it. I know that younger members of the Bar feel that it is not sufficiently remunerative and it is true that it is sometime since it was last reviewed.

I can only simply say that the matter is under review and will be pursued.

On the other point I am not sure I have fully taken the point but if the point is that the scope of legal aid, the range for which legal aid is available is not wide enough, if that is the point, I am not aware of any problems in the area, but I would certainly be happy to look at it and see whether there are. I cannot say I am aware that there are any feelings that people who ought to be qualifying for legal aid are not qualifying.

HON CHIEF MINISTER:

Perhaps I can clear this as I was present, perhaps the Honourable Member was not present at the Bar meeting when the young members formed themselves into a committee to go and see the Chief Justice about it. Is he directing his attention mainly to criminal cases or civil cases or to both?

HON P J ISOLA:

I think it applies mainly in criminal cases.

HON CHIEF MINISTER:

In the case of criminal cases, though the suggestion was that they should be reviewed it was also decided to recommend that the stage at which they would be entitled to legal aid in civil cases would be according to your income.

Court of Appeal was agreed to.

(2) Supreme Court - Personal Emoluments - were agreed to.

Other Charges were agreed to:

(3) Magistrates' and Coroner's Courts - Personal Emoluments were agreed to.

Other Charges were agreed to.

Head 11, Labour and Social Security - Personal Emoluments

HON W T SCOTT

If I can go back to the establishment for a minute, unfortunately the left hand side of that particular page on the establishment 1980/81 has not come out at all well, but I see that the establishment is the same, 54.

I seem to remember in answer to a question from myself at the last House in March we were talking about the Family Care Unit staff being increased. Can the Minister say where the increase is reflected please?

HON MAJOR F J DELLIPIANI:

Mr Chairman, I was going to make a statement and the Hon Mr Scott has pre-empted me. Where you see Item 10 of the establishment Welfare Assistant, that in fact should read 2 Trainee Welfare Officers. The total at the end will be 55. I did assure, Sir, the Hon Member that this in fact would be monitored throughout.

HON W T SCOTT:

I am very grateful, Mr Chairman, and I hope the Minister will make his statement in any event later on, if there is anything that he has to add to it.

HON MAJOR F J DELLIPIANI:

No, that is the statement.

Personal Emoluments were agreed to.

Other Charges

HON W T SCOTT:

Again, Mr Chairman, on subhead 4, presumably that is the charge made by PWD, Maintenance and Running Expenses of Motor Vehicles.

HON MAJOR F J DELLIPIANI:

The maintenance and running of motor vehicles, we have three vehicles. We calculate that the licences, petrol and small repairs for the three will cost us about £1,000 a year, but we also have to undertake certain major repairs on the vehicles and we have provided about £700 for this.

HON W T SCOTT:

On the Public Utility Costs, Mr Chairman, I notice that this has gone down.

HON MAJOR F J DELLIPIANI:

Yes, this is because it is a shared item with the Public Works Department who share the same premises as us. I think we were paying rather more than we should.

HON MAJOR R J PELIZA:

Item 4, I notice that the actual expenditure of 1979/80 was £600 and the estimated 1981/82 is £1,700. It is a tremendous rise. Could the Minister explain please.

HON MAJOR F J DELLIPIANI:

I have just explained it, we are going through major repairs on the three vehicles.

HON MAJOR R J PELIZA:

Oh, major repairs, I did not hear the word 'major'.

HON W T SCOTT:

On another subhead. On Supplementary Benefits, may I ask the Minister, Mr Chairman, how many people are in receipt of Supplementary Benefits?

HON MAJOR F J DELLIPIANI:

I haven't got the numbers but I will give you the weekly amounts.

HON W T SCOTT:

What I am really after, Mr Chairman, is whether there is a pattern of the number remaining stable, whether it has been increasing over the last year or two or decreasing.

HON MAJOR F J DELLIPIANI:

It has increased from last year.

HON W T SCOTT:

Does Government have any intention of increasing the rates of Supplementary Benefits as of the 1 January, 1982 and is it reflected here in this particular subhead?

HON MAJOR F J DELLIPIANI:

Yes, Mr Chairman, it has. I already gave an indication on the question of the Elderly Persons Pensions and a similar formula will apply to Supplementary Benefits. In fact it will probably be more than 17% increase, I probably misled you, it will probably be between 17% and 20%.

HON W T SCOTT:

I think I asked it last year, subhead 9, Expenses of Sponsored Patients Sent for Treatment to the United Kingdom. I would have expected this to come under the Medical and Health Services Head. What substantive reason is there to put it into that particular Head?

HON MAJOR F J DELLIPIANI:

Because we are really dealing with the social side of the matter. We deal with the air tickets, the finding of accommodation in UK, the escorts, we look after the social side and investigate the social family side of the case.

MR CHAIRMAN:

The medical expenses are not included?

HON MAJOR F J DELLIPIANI:

No, they are not included.

HON W T SCOTT:

So, in fact we are looking here also at the maintenance allowance whilst they are there.

HON MAJOR F J DELLIPIANI:

That is right, which you will remember was increased.

HON W T SCOTT:

On Retirement Pensions, subhead 10, Mr Chairman, presumably these are for civil servants retiring but only from that particular Department? Could I have an explanation of that?

HON A J CANEPA:

No, these are for a very small group of people who when the Social Insurance Scheme started in 1955 were too old. They were young enough to contribute in the sense that they were aged below 65 but they were too old to meet the necessary number of minimum contributions that would have qualified them for a pension at the time, which was ten years or 500 contributions, and therefore, transitional interim arrangements were made whereby they qualified for a pension on a smaller number of contributions of 250 and instead of those pensions being paid from the Social Insurance Fund - they are really

Social Insurance Pensions - but instead of being paid from the Fund they are paid out of revenue and the maximum rate of pension is equivalent to a person getting an Old Age Pension with an average of 40. The number is dwindling rapidly, I think there are only about 70 of those left.

HON P J ISOLA:

These are received tax-free, of course?

HON A J CANEPA:

These are tax-free and they are the third category of people that we were debating last autumn.

HON W T SCOTT:

So in fact it is not exclusive to civil servants?

HON A J CANEPA:

They are very likely not civil servants at all. It will help the Honourable Member if I point out to him that the former employees of the Government, ex-civil servants, he will find the provision being made for those pensions on page 20. It is a small matter of £1.7m!

HON W T SCOTT:

Mr Chairman, on subhead 15 . . . . .

HON J BOSSANO:

Mr Chairman, on Family Allowances, it is £657,000, and the estimate for 1981/82 is £700,000. Is it the intention to increase Family Allowances, or is it because we are making provision for 12 months and the rate was increased in the middle of last year?

HON MAJOR F J DELLIPIANI:

No, we are not increasing it, this is the full total calculated for 52 weeks.

HON J BOSSANO:

Well, can the Government say why it is not increasing it then, because effectively when we have any social benefit and that social benefit is not increased in a situation where there are rising prices we are talking about an effective decrease, are we not? We are talking

about people with families being able to buy less with the £5 Family Allowance in July this year than they were able to buy twelve months ago. I mentioned in my budget speech that if the Government was not going to be doing anything on Family Allowance they should seriously look at the question of doing something on allowances for children under the Income Tax Ordinance which would not then be limited to taxpayers whose children are resident in Gibraltar. I want to make the point again, Mr Chairman.

HON MAJOR F J DELLIPIANI:

Although we did not think it right that we should do it this year, the increase has been in the order usually of about 8%, inflation. We did not think we should increase this by £1 to £5 this year because of the package that we have on income tax structure. The increase is virtually on the number of children that would qualify. I shall certainly bear it in mind for next year and we shall combine the two years that we have missed.

HON J BOSSANO:

I shall wait until I see the package, Mr Chairman.

MR CHAIRMAN:

Mr Scott did you want Subhead 15?

HON W T SCOTT:

No, Mr Chairman, I will return to Subhead 13 if I may. Accommodation of Labour. If I can refer the Minister to page 10, subhead 5, Imported Labour Accommodation Charges, and if we look at the two figures there for the approved estimate 1980/81 and the revised estimate, and then we look back at the expenditure side on exactly the same two columns, we see the same figure but reversed. Is this sheer coincidence?

HON MAJOR F J DELLIPIANI:

Yes, Sir.

HON W T SCOTT:

In other words what I am saying is that on the revenue side we have lost £55,000 and on the expenditure side we have received £55,000. Is it a coincidence that the figures are identical?

HON MAJOR F J DELLIPIANI:

Yes, Sir, it is just coincidence.

HON A J CANEPA:

The loss of revenue is due to the late completion of the works at Casemates.

HON W T SCOTT:

I see.

Subhead 15, Elderly Persons Pension. Can the Minister say how many people were in receipt of Elderly Persons Pension this time last year and also today?

HON MAJOR F J DELLIPIANI:

I have not got last year's figures but I can give you this year's figures: 898, it was probably a bit more last year - 935.

HON W T SCOTT:

Can the Government say what is the tax yield on that amount?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, we could not say what that figure is, without going into each specific case and this would take some time. We would have to go through 898 case files.

HON P J ISOLA:

I think that in the course of the debate, when we moved an amendment to make the Elderly Persons Pension tax free, we were given a figure of tax loss of about £50,000.

HON A J CANEPA:

It was a level of revenue, it was the nearest the Commissioner of Income Tax could arrive at without having laboriously to go into the cases involved. It was the nearest figure he thought he could come up with, of that order, £50,000.

HON U T SCOTT:

Mr Chairman, subhead 16. I notice that although £1,000 was voted last year for training courses in the United Kingdom not a single penny was spent. Can we ask what the training courses were and why the money was not spent?

HON MAJOR F J DELLIPIANI:

This was a social worker who in the end didn't want to go to the course, in fact, she has resigned.

HON W T SCOTT:

So the social worker has resigned? Are we talking about the social worker shown on the establishment here?

HON MAJOR F J DELLIPIANI:

This is a welfare assistant, not a social worker.

HON U T SCOTT:

Mr Chairman, subhead 21 and possibly subhead 20. I did bring this up earlier on in the debate where the amount of £47,000 for the Construction Industry Training Centre is exactly the same as last year and I mentioned the point whether the Government had had any regard to the amended motion on industrial training passed at the November Meeting of the House, and if not, why not?

HON MAJOR F J DELLIPIANI:

Mr Chairman, the reason why the sum is more or less the same is that we meet demands on the Centre and the demands have not increased at all. We have in mind the question of your motion and if we need to improve by getting extra staff we shall do it. We do not know what the situation will be like as yet.

HON W T SCOTT:

I am grateful for that answer, Mr Chairman, but the fact is that the House has passed a motion on this and it is not a question of demand. One would have expected to have seen an increase there precisely because there will be some extra demand.

HON MAJOR F J DELLIPIANI:

We don't know, Sir.

HON W T SCOTT:

Perhaps you might not know the extent, certainly.

HON MAJOR F J DELLIPIANI:

Well, we think we can cope with it until we know whether we can or otherwise. If we cannot we shall come to the House for supplementaries.

HON J BOSSANO:

If we are talking about the amount of money that needs to be spent in the running of the Construction Training Centre that might not require any extra funds but we would probably need a new vote if we are going to be paying the people who are doing the training who would otherwise not be doing the training. This provides for the cost of the people who are employed to provide the teaching, but apart from that there would be the cost of the people who are taken on who would otherwise not be taken on to do their learning as it were. This might well require supplementary expenditure once we know the situation later in the summer.

HON MAJOR F J DELLIPIANI:

I am not going to confirm whether we are going to pay trainees who are not going to be employed.

HON J BOSSANO:

Well, I think the motion did talk about financially supporting these people, that there would be some payment whilst they were there, and that is not provided for here because we have never done it before.

HON MAJOR F J DELLIPIANI:

The thing is that this matter is at too early a stage, we have not really given it much thought, this is why I do not wish to commit myself about paying anybody for being trained. The main factor is that we have spare capacity for training and this is why we are not asking for any more money.

HON W T SCOTT:

Yes, Mr Chairman, but coming back to the Head on which he spent a lot of time a few minutes ago on Electricity and the £120,000 that the Government did not know exactly what direction it was going to be moving into, there was at

least \$120,000 voted there and yet there is not a single penny here, not even token provision.

HON MAJOR F J DELLIPIANI:

That money was for equipment, here we are talking about people.

MR CHAIRMAN:

The explanation given is that with the present training capacity they can cope with extra bodies coming in and therefore they do not need any further expenditure in that respect, but should they need expenditure for the purposes of paying trainees, or for any other purpose, they will come to the House on supplementaries.

Other Charges were agreed to.

Head 12, Lands and Surveys - Personal Emoluments were agreed to.

Other Charges

HON J BOSSANO:

Mr Chairman, I would like to raise a matter of principle on the question of lands and surveys and I am not quite sure that there is a specific subject that I could link it to but what I would like to know is this question of the extent to which the Lands and Surveys Department seems to have, or whether it has in fact, its own ideas as it were on the use of land. We passed a motion in the House not so very long ago regarding the criteria that should be applied in the tendering process as regards the use of land put out to the private sector. This was, I think, at the stage when we were between the Woodford Cottage Scheme and the one that came out earlier, Buena Vista Cottage. I would like to be clear, from a statement from the Government side, to what extent the criteria for the use of land is determined by the ideas of the people in the Lands and Surveys Department or to political decision making.

HON A J CANEPA:

I can answer that. The criteria will be determined by the Development and Planning Commission. The Development and Planning Commission is made up of myself as Chairman, the Minister for Public Works, Mr Abraham Serfaty, the Chief Planning Officer, the Surveyor and Planning Secretary and two representatives of the

Ministry of Defence, the Regional Estate Surveyor and the Captain of HMS Rooke. The Financial and Development Secretary is a member but he does not attend our meetings, he is represented by the Economic Adviser. The voting members of the Commission are the three appointed by the Chief Minister, that is, the Chairman, the Minister for Public Works, Mr Serfaty and the two M.O.D. representatives. The other people do not have a vote and therefore, by and large, it is the political side, if you like, that determines policy.

With regard to the specific matter of Buena Vista site, I can confirm that the spirit of the motion which was passed by the House was very much kept in mind when the Development and Planning Commission was consulted by the Tender Board in respect of the tenders that were received and we did recommend the scheme that was second in respect of density, the second highest density. There was another scheme where there was higher density but the scheme was very rudimentary and it did not comply with a number of town planning statutory obligations and therefore once the Commission would have expressed a preference, in fact we expressed a preference for a slightly higher density scheme, one of twelve or sixteen dwellings but provided it met the statutory requirements. In the event the Tender Board awarded the tender to a scheme with nine dwellings which went fairly close to the optimum that we would have liked to have seen. The scheme that was awarded the tender was a very good scheme, a very imaginative scheme, but having regard to the fact that that is a reasonably large site, you could have a tower block of 12 or 13 floors, but having regard to what existed there, the one quarter, to get nine superior dwellings we felt, and I now feel in the event, that we were limited to the extent that we had something to do with the decision, but having regard to the considerations that I have mentioned I think it has gone pretty far in meeting the spirit of the motion of the Hon Member. I can tell him it is very uppermost in the minds of the Commission.

HON J BOSSANO:

Would the Hon Member in fact not agree that the motion was drafted in such a way that it was not intended to be restrictive but rather to lay down parameters, and therefore, although I myself feel the question of density is a very important one and that one should not have.....The Hon Member knows that I am not very enthusiastic about this idea of zoning, nevertheless in

terms even of nine units, is there any consideration about whether these are units available to people coming from outside Gibraltar or is there any limitation on their being available to people who are entitled, like in the Woodford Cottage Scheme, to applicants in the housing list only?

HON A J CANEPA:

In the case of Buena Vista the position is different, this is purely private sector development, and therefore, none of the considerations that apply to Woodford Cottage whereby the people who would be able to purchase these dwellings do not have to be applicants on the housing list. So this is more akin to the situation that we have in Gardiner's Road except that architecturally and so on the scheme is a rather better one. I can say one thing, the Commission did express preference for higher density but having regard to the schemes that were submitted, that was not possible.

HON J BOSSANO:

But, in fact, Mr Chairman, looking at density, I myself support the concept of higher density as the ideal to which we should move within the parameters of what is considered to be necessary under building regulations and so on. If we have to choose between two schemes, one with lower density and one with higher density, the higher density is one which is not going to provide any impact on the housing problem, then in fact the lower density one within the context of the housing problem is the better one. But if we have two schemes both of which would provide facilities, I understand that one of the schemes included provision for fairly low mortgage facilities, I would have thought that if there were things that made that scheme attractive and things that that scheme did not comply with it would have been within the terms of reference of the Planning Commission to say, well, look, let us go back to the people making these proposals, we are not happy with what you are proposing because of the following reasons, you don't stand a chance unless you can meet us on these points, given that what we want to achieve is the maximum return on the limited land we have got available, which is the spirit of the motion.

HON A J CANEPA:

I agree with the Hon Member, the trouble is that there are a number of considerations which we would like to take account of in the disposal of land and in the use and allocation of land, that the existing machinery does not

quite adequately allow us to do that because you have a Development and Planning Commission which is being asked by the Tender Board to advise in respect of town planning and economic considerations, but there are other considerations which the Development and Planning Commission cannot take into account, or it should not, such as, for instance what is the premium that is being offered. That is a matter for the Tender Board and because the position is not entirely satisfactory the Financial and Development Secretary and myself and the Economic Adviser are giving some thought to this matter. The intention is to make proposals to Government to adopt different machinery. Ultimately it could well be, and I am only expressing a view, we will see what comes out in the wash, it may well be a matter for Gibraltar Council to take a decision having regard to all these considerations. It may well be that instead of the Tender Board adjudicating on these matters it may well go to Gibraltar Council because there are serious, political and economic considerations and it is just as well that the people who have been put into office to take those decisions should be the ones ultimately responsible for defending their decisions and for taking them. Those are the lines on which we are thinking and we may be moving in that direction in the not too distant future.

HON J BOSSANO:

Effectively when we are taking about the limited amount of land that we have in Gibraltar, it is political and social consideration that must carry most weight rather than whether one gets £1,000 more or less for the house. In the final analysis that is not going to make that much difference in the economic situation.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

May I, as Chairman of the Tender Board say that the Tender Board feel very strongly that a committee of officials are not the right body to adjudicate on these matters and this is why I have made representations to Government for a new system.

Other Charges were agreed to.

HON A LODDO:

Mr Chairman, I notice that there has been an increase in the Legal Staff of some 66%, that is from three to five. I realise that these are changes arising out of staff inspection but does this mean that the volume of work has increased that much?

HON ATTORNEY-GENERAL:

Mr Chairman, I am not sure percentages mean a great deal in an establishment the size of my Chambers, but there is work that we should be doing and which we are stretched to be able to do. A lot of work that we do I would rather see done in greater depth and with more reflection. Without going into it I think if the Hon Member were to look at the history of the establishment of my Chambers over the years it is a long time since there was a significant change and in my view this is a submission I made to the Staff Inspectors, they accepted it and the Government endorsed it. It is time, having regard to Gibraltar's contemporary needs, to strengthen the legal services to the Government and that is why there is a proposal - in fact it was the second stage of the proposal which was put into effect last year.

Nevertheless, the effect of the proposals is to strengthen the professional staff and also to a lesser extent the clerical staff. I might say that if this is carried into effect I myself do not see any need for a further increase in the foreseeable future. I think this will bring the strength of the Chambers up to what is appropriate for Gibraltar in contemporary circumstances.

HON A LODDO:

Mr Chairman, is all the work undertaken by Chambers for the Gibraltar Government or is there work undertaken other than the Gibraltar Government.

HON ATTORNEY-GENERAL:

The work is virtually all taken on behalf of the Gibraltar Government. We are legal advisers to the Gibraltar Government. There is a very small amount of work, an insignificant amount of work, which is done for the Ministry of Defence in relation to very minor claims. This is something which I for various decisions do not entirely find suitable that we should do it. It appears to have been done by us traditionally. It is not a major area of work, it does not appear to burden us in the office but I think it is not the best arrangement to have because we are really there to serve the Government of Gibraltar.

The matter I meant to refer to and which I meant to do is that one of the functions of the first of the two new officers being proposed will be to take under charge the land work of Government, the legal side of land work, the specific transactions, because I myself have a continuing interest in the more general aspect of land work, but this officer's first task will be to deal with the legal aspects of land transactions involving the Gibraltar

Government.

That will not be a full-time occupation by any means but it will be a significant part of his work and that was our first objective in providing for that post.

HON A LODDO:

Mr Chairman, presumably the Gibraltar Government is paid by the Ministry of Defence for this work undertaken, and if that is the case where is the payment reflected?

HON ATTORNEY-GENERAL:

Mr Chairman, I would like to stress - let me answer the question first: we are not paid for it. I would like to stress that it is a very minor element of work. I really think it is correctly described as a historical facet on the way in which our Chambers are run. I have already indicated, and I am sure the Ministry wouldn't misunderstand me, but I have indicated what my own thinking is on this, but it really is not a significant part of our work.

Personal Emoluments were agreed to.

Other Charges were agreed to.

Head 14, Medical and Public Health - Personal Emoluments

HON J B PEREZ:

Mr Chairman, If I may. There is a small amendment to the heading (c) Establishment and Salaries. There should be included an extra body totalling the establishment of my Department to 404, by way of a Clinical Tutor. This increase in the establishment is due to the forthcoming recognition by the General Nursing Council of our locally-trained nurses and in fact I made a mention of this in my contribution earlier on. Another point I would like to make, and I would refer Hon Members to page 127, in connection with the scales: under Scale 1, in which it says, Consultant, and then in brackets (without private practice), the words in brackets should not be there, they should be deleted. There should not be any mention of private practice. The Hon Mr Scott brought this to my notice last year.

HON G T RESTANO:

Well, Mr Chairman, I must admit that I feel rather disappointed. Just now when he said that his establishment had been increased by one, I was hoping to hear that he had at last taken the decision to appoint a seventh doctor at the Health Centre, but anyway! Mr Chairman, on the

emoluments, how is it that there is such a minute increase between the Revised Estimates of 1980/81 and the Estimates for 1981/82, for the whole of the Department. From £2.564m. to £2.565m., just £1,000 difference.

HON J B PEREZ:

Because that is in fact the estimated expenditure for this year. We are not dismissing anybody, we are just applying the same rates of wages and salaries as we had for this year. We haven't estimated for any possible increases in salaries during the year. The estimated expenditure for 1981/82 for salaries, overtime and allowances, are just based on this year's salaries.

HON G T RESTAND:

That is, Mr Chairman, a different policy from most of the other Departments that we have gone through, where there have been more substantial increases than in this.

MR CHAIRMAN:

Isn't there a difference reflected in allowances?

HON G T RESTAND:

I am looking at the total personal emoluments.

MR CHAIRMAN:

Yes, but the answer, I think, to your question is that there is less provision for allowances and less provision for gratuities.

HON G T RESTAND:

Yes, but the total at the end of the day is virtually the same?

MR CHAIRMAN:

Oh yes, I accept that.

HON G T RESTAND:

This is entirely different to most other Departments and I wondered why this particular department was handling this somewhat differently.

HON J B PEREZ:

There is no particular reason.

Personal Emoluments were agreed to.

Other Charges

HON G T RESTAND:

Subhead 9, Drugs, Dressings and Pharmaceutical Sundries. It is a very heavy amount, £630,000. Can the Minister say in what way he will be attempting to hold any possible increases during the coming year.

HON J B PEREZ:

I think, Mr Chairman, that I mentioned what we had done and had achieved during the last year. I mentioned two particular things that we had achieved, and that was primarily, I think we have been successful through the cooperation of the GPMS Doctors and the chemists, and the work of the Administrator and the Director, to control the element of over-prescribing which was rampant during the last two years. We have kept the number of items on prescriptions on the same level. I also mentioned in my contribution, Mr Chairman, that in most cases we had informed the doctors to prescribe generic names and not particular trade marks, like, for example, Panadol and Paracetamol, and we have even gone to the extent of telling chemists that if they find that there is a particular prescription, a particular item in a prescription, which, for example, say, Panadol, and Panadol is in fact dispensed, when it comes to payment by us we will only pay for Paracetamol. These are two of the main things in which we have been successful in the last year of trying to implement.

In fairness, I think I ought to inform the House that I am giving very careful and serious consideration to the question of increasing prescription charges. I think it is fair to inform the House that this is very uppermost in my mind and this is something I will have to make up my mind on in the very near future, because I think that prescription charges are rather low at this particular moment of time. We are only charging 20p per item and in a way by increasing the prescription charges sometime later in the year, we may be able to achieve a very real element of constraint on this particular subhead.

HON G T RESTAND:

Mr Chairman, can the Minister say how much of the £630,000 is spent in Gibraltar and how much direct purchase is made from abroad?

HON J B PEREZ:

I think we can divide the £630,000 into three headings and it will answer the question made by the Hon Member. Under the GPMS, which is the first heading, that is the money we are paying to chemists, so obviously we have nothing to do with the source of purchase, that is left to the chemists. We have another element there included in the £630,000 which is due to Chemists' Duty Fees, that is, for opening in the evenings and during weekends, and I shall give the members the exact figures now. The GPMS we have estimated at £417,000, around £8,000 a week; Duty Fees paid to Chemists £7,000; that is for opening after hours. On Other Drugs, which are drugs purchased by the Government from the UK or in certain cases in Gibraltar, we provide a total of £86,000. I am afraid I have not got the information in connection with the £86,000 available at this particular moment of time but I will let the Honourable Member have it later on in these proceedings. I think he wanted to know of the £86,000 how much we purchase from local people and how much we purchase from UK. I will give him that later on.

HON G T RESTANO:

Thank you, Mr Chairman. Can I have the same breakdown for the next item, subhead 10, Medical and Surgical Instruments Apparatus and Appliances.

HON J B PEREZ:

I regret I have not got that information either but I shall give it to the Hon Member later on.

HON G T RESTANO:

Can the Hon Minister say, I see there is a small explanation at the bottom saying that this is for essential replacements, could he give us details of what sort of replacements these are?

HON J B PEREZ:

Surgical, medical and surgical, and it also includes laboratory equipment as well. For example, we have split that vote up into repairs and replacements £23,000; spares for equipment £8,500; X-Ray £600; and laboratory equipment at around £9,000 to £10,000. That is all types of apparatus like pipettes, test tubes etc.

HON G T RESTANO:

Subhead 15, Staff Wages £485,000. How many industrials does this apply to?

HON J B PEREZ:

Mr Chairman, I gave the exact amount in my statement only two days ago but for the benefit of the Hon Member, I think it was 107, but I can check.

HON G T RESTANO:

Subhead 18, Expenses of Visiting Consultant. Could we have a breakdown of the £24,000?

HON J B PEREZ:

This is based on previous performance throughout the last two years, on the number of visits made by the various Consultants. In that vote we have also included an element for locum which are temporary reliefs. The exact amount for the locums is around £8,000, the remainder, which is £16,000, is in fact for visiting Consultants as such. For example if one of our Consultants goes on holiday he has to get a locum to replace him during his holiday break. The way we have estimated the £16,000 is that we have taken the number of visiting Consultants, we have six visiting Consultants, most of them come four times a year and in fact we pay them the total sum of £500 per visit. Apart from that we also pay for their passages and we pay them subsistence allowance of £27 a day. On the whole we estimate that we will have approximately twenty visits during this coming year, but then again this may vary because there are, I can mention for example Dr Bromley, who comes as and when required: during one month he may come on two or three occasions, there may be a particularly bad case which may need his expert services and we just 'phone him and he comes straightaway. There again, for example, Dr Shaw the ENT Consultant, comes around four times a year; the Radiologist, Dr Craig, he normally comes every three months as well; and also the Psychiatrist, Dr Grossman, who comes three or four times a year. It is an estimate and we estimate around twenty.

HON G T RESTANO:

Subhead 19, could we have an explanation for the increase of 112%?

HON J B PEREZ:

Mr Chairman, I think there is a change between the approved.

and the revised from £6,900 to £4,900, there are £2,000 less there. That was due to the fact that we were unable to find the type of kennel which we were going to have and which were recommended by the Anti-Rabies Committee, and this year instead of purchasing four kennels we intend to purchase six, and we already have a site earmarked for this particular purpose.

Other Charges were agreed to.

Special Expenditure

HON G T RESTAND:

Could the Minister explain the new equipment to be purchased under subhead 80?

HON J B PEREZ:

Mr Chairman, I have a very long list which I can undertake to give to the Honourable Member to save the time of this House, but let me add that this year what we have done is that we have specifically requested each and every head of each Ward and of each particular department, like Maternity, the KGV, the ENT to submit to the Director a list of everything they would like in this particular year. What we have done is we have prepared a very large list, we have sought quotations for the different pieces of equipment that they have sought and once the money is voted and once we have all the quotations, the Director, in consultation with the senior members of the hospital, will in fact select which particular equipment we shall buy for this particular year. But I can let the Honourable Member have the list.

Special Expenditure was agreed to.

Head 15 - Police - Personal Emoluments were agreed to.

Other Charges

HON W T SCOTT:

I think it was at this stage last year at the budget session that was projected the opening of the frontier. I think the House talked at some length of trying to substitute some of the uniformed personnel performing clerical duties within the Police Force by white collar workers, and I am wondering in fact in relation to the report on the Police published recently and the call made by the Commissioner, whether in fact over the last year there has been any move in that direction.

HON ATTORNEY-GENERAL:

Mr Chairman, no progress has been made in the last year in that direction.

HON W T SCOTT:

Can we have some reasons. Are we waiting for the frontier to open before any move is made?

HON ATTORNEY-GENERAL:

I think the present position is, Mr Chairman, that a move in that direction, to bring in civilians for the clerical side, is something which the department is not ready to proceed with at the moment.

Other Charges were agreed to.

Special Expenditure.

HON A J HAYNES:

Mr Chairman on this Personal Expenditure vote, I see there is a purchase of two new engines for the Police motor boat Gulloch, but I find also under the Head 4 Maintenance and Running Expenses of motorboats.....

MR CHAIRMAN:

No, no, we have taken a vote on that already.

Special Expenditure was agreed to.

Head 16 - Port - Personal Emoluments were agreed to.

Other Charges.

HON DR R G VALARINO:

Mr Chairman, could I point out that due to an unfortunate oversight the explanatory note (a) against Item 5 should be deleted.

Other Charges were agreed to.

Special Expenditure was agreed to.

Head 17 Post Office Savings Bank Philatelic Bureau:

(1) Post Office and Savings Bank - Personal Emoluments.

HON MAJOR R J PELIZA:

Mr Chairman, on the establishment I see that three Clerical Assistants have been disposed of. The establishment is down from 63 to 61.

HON H J ZAMMITT:

Mr Chairman, as a result of staff inspection it has been recommended that we do away with the Philatelic Clerical Assistants in the Post Office and likewise the reduction of another Clerical Assistant in the Philatelic Bureau. Like the Honourable the Financial and Development Secretary, and like you, Sir, I am not completely satisfied with the staff inspection and I am taking the matter to Council of Ministers, because we have since found that in the Philatelic Bureau we are receiving about 100 new accounts on average per month. When the staff inspectors did this about 6-7 months ago, they tried to establish a figure of accounts that each Clerical Officer would have to attend to: now in fact they are doing far beyond what they then suggested, so I will be bringing a paper to Council of Ministers to try, and I hope succeed, in recouping these Clerical Assistants.

HON MAJOR R J PELIZA:

I was just about to congratulate the Minister on his productivity, Mr Chairman, but I will now have to wait!

HON W T SCOTT:

Can the Minister say whether these 3 Clerical Assistants are still employed by Government, there has been no redundancy.

HON H J ZAMMITT:

Oh, no, Sir, they were going to be posted elsewhere.

HON W T SCOTT:

And is it not a fact that some of these Clerical Assistants have been promoted to Clerical Officers under subhead 12 on the establishment.

HON H J ZAMMITT:

It could well be the case, Mr Chairman.

HON P J ISOLA:

Could I ask about the manning of the counters. We

continue to receive complaints at the fact that there are five windows and rarely more than two are manned. Can we be told what is the manning position on a daily basis at the counters.

HON H J ZAMMITT:

There are 3 positions open and a fourth position in the Savings Bank. I do accept of course that on the occasion of the official tea-break there could be the closing down of one of the positions.

HON P J ISOLA:

If I am asked I can tell people that there are three windows open all day, is that it, except for tea-breaks. This is what we want to know.

HON H J ZAMMITT:

The Hon Member could say that. It is certainly an argument that I would have to place before my colleagues, that the clerical assistants that they are trying to get rid of do in fact cover such things as illness when it occurs down in the counter. I accept that there is a time in the morning when the pressure there is quite bad, I accept that.

MR CHAIRMAN:

Of these positions one deals with registered mail, is that right?

HON H J ZAMMITT:

Yes. One does registered airmail and express letters.

HON P J ISOLA:

So from what the Minister is telling me, is it really that although there should be three permanently, because of tea-breaks and illnesses and sick leave, we must not expect more than two on average. Is that it or would that be wrong?

HON H J ZAMMITT:

Well, Mr Chairman, it could be right and wrong. We attempt to have the three open but there are circumstances, and I accept this is a case that I will have to make to my colleagues, that as happened not so long ago, one employee fell sick and had to go away and we had no one to cover the counter. I am afraid that the

staff inspection said that that was enough and, therefore, I have to appeal to my colleagues now.

HON P J ISOLA:

Can I ask then. There is one for registered mail but there is no registered mail being taken: is that the position still?

HON H J ZAMMITT:

I am told, Sir, that the possibility of the industrial action that commenced a few days ago may be off by Monday. I think the persons concerned, on hearing what I had to say here in my contribution on the Second Reading of the Bill, I think that something has happened since then, and some temporary measure is being done and they are going back, but I think that up until today they were not accepting registered airmail.

Personal Emoluments were agreed to.

Other Charges.

HON MAJOR R J PELIZA:

Mr Chairman, I don't know whether the Minister remembers, I am sure he does, about the renting of vans for collection and delivery of mail. I suppose that the item on the Maintenance and Running of Vehicles is not part of it and that nothing has been included in the Estimates for that sort of thing. I think he said that they were going to do away with that altogether and they were going to have their own van.

HON H J ZAMMITT:

Yes, Mr Chairman. If he cares to look down at Special Expenditure Item 81, he will realise that we are buying a further mail van, and last year we bought two vans instead of one. We were able to make a saving last year and there were two vans purchased and a third mail van is being purchased this year. I think unless we are very very unlucky with three or four breakdowns, there will be no need certainly this year to have to hire transport.

HON MAJOR R J PELIZA:

And therefore no provision has been made.

HON H J ZAMMITT:

No provision has been made because we have two new cars already.

Other Charges were agreed to.

Special Expenditure was agreed to.

(2) Philatelic Bureau - Personal Emoluments

HON MAJOR R J PELIZA:

May I, Mr Chairman, take the opportunity of congratulating the Minister and his Department for the successful venture. I said so yesterday and I would like to emphasise it now.

HON H J ZAMMITT:

I will accept all compliments provided it goes to all my colleagues here who has done all the spade work and hard work.

Personal Emoluments were agreed to.

Other Charges

HON MAJOR R J PELIZA:

On the question of the commission and I think we have had this before, £120,000, which is of course a very high sum. I was looking at the percentages in the past and I notice that the Approved Estimates of 1980/81 came to 16.66%, then the Revised went up to 18.96%, and now 1981/82 it is 18.46%. Is there a set percentage at all?

HON H J ZAMMITT:

Yes, there is, Mr Chairman, but where the Hon Member has gone wrong is that he has probably not given any percentage from the direct sales that the Bureau itself makes. The Bureau sells about £200,000 per annum, on which of course we do not pay ourselves commission, and there is a difference between Crown Agents and the other agents.

HON MAJOR R J PELIZA:

Subhead 8 which is Printing and Stationery. Could the Minister say what the £12,500 is for?

HON H J ZAMMITT:

Yes, Mr Chairman, Printing and Stationery is that we have to provide an enormous amount of literature which we send out to all our 14,000 accounts, and of course we keep them up to date with new issues coming out and remind them of course how their accounts stand, and out of sheer nicety it is done on a nice sort of paper and not just on ordinary. . . .

HON MAJOR R J PELIZA:

Finally, Mr Chairman, on item 9, which is Rent of Offices. What is this?

HON H J ZAMMITT:

Our Bureau as you know is in Leon House in Secretary's Lane and, therefore, we pay rent for that.

HON MAJOR R J PELIZA:

I suppose that is something that is being taken into account by this committee which is looking into it.

HON H J ZAMMITT:

Yes, Mr Chairman.

Other Charges were agreed to.

Special Expenditure was agreed to.

Head 18, Prison - Personal Emoluments.

HON W T SCOTT:

Last year, we see from the Approved Estimates, the incidence of overtime expressed on salaries in fact is rather large. It is something which works out to almost 37%. This year it is even greater, it is in excess of 40%. Can we have some explanation from the Minister into this, what at first sight appears to be pretty excessive element of overtime?

HON MAJOR F J DELLIPIANI:

Mr Chairman, Prison Wardens work a 48-hour week and, therefore, anything over 40 is considered as overtime. One of the big problems we have is that when prisoners are in hospital we have to provide for the security of that

prisoner and that entails a 24-hour watch and that incurs a lot of overtime. When we are talking of a relatively small staff of 20 and when you have just one prisoner it means three Prison Wardens really looking after one prisoner on a 24-hour basis. We have had quite a few cases last year of prisoners in hospital and they require supervision.

HON W T SCOTT:

What certainly from this side of the House, Mr Chairman, appears to emerge is that there is a need to employ more Prison Officers.

HON MAJOR F J DELLIPIANI:

It could be but once you employ a Prison Officer and we have taken one more already this year, but if you start increasing the establishment of Prison Officers afterwards it is very hard, if the population comes down, to get rid of them.

HON W T SCOTT:

We want to get rid of the prisoners!

HON MAJOR F J DELLIPIANI:

That is it. It is better to be able to control the establishment rather than increase the establishment and find that because the crime incidence has gone down that we are left with 30 Prison Wardens and two prisoners. I think it is better to control it this way. It is a fluctuating situation.

HON W T SCOTT:

Yes, but I did qualify, Mr Chairman, I did say originally that the pattern seems to be emerging over the last few years.

HON A J CANEPA:

Perhaps I can help the Hon Member, Mr Chairman. The Expenditure Committee did an exercise with a view to seeing whether the whole of the overtime could be eliminated, work a forty-hour week and employ more people. The net savings in a year, by employing more people and cutting overtime completely was £4,000. But that did not take into account long term expenses, such as if you increase the number of staff then you've got commitments in respect of pensions and gratuities at a later date, not to mention uniforms which is a fairly expensive item in the Prison Service; accommodation which you have to try to

find these people and so on. So it was hardly worthwhile, and from the point of view of incentive this has become a rather difficult job in the last few years and to make it sufficiently attractive, you have to ensure that earnings are high. So if people are just going to be working the basic 40-hour week you may have recruiting problems, either you may not be able to find the number of people that you need or the people of the necessary calibre, so this is a consideration that also had to be kept in mind.

HON W T SCOTT:

Yes, perhaps the Honourable Minister for Economic Development has misunderstood me. I didn't advocate in fact that we should cut out overtime altogether. I know the problems, obviously, I'm certainly familiar with some of the problems that people working in this department might experience. What I was trying to suggest is cutting down the level of overtime.

HON A J CANEPA:

Well, the increase of staff by one is precisely to at least try to keep the overtime nearly to 48 hours because it is running higher than 48 hours because of other problems.

Personal Emoluments were agreed to.

Other Charges

HON A J HAYNES:

Under Item No. 4 Rehabilitation and Education of Prisoners. Could we have an explanation as to what this entails?

HON MAJOR F J DELLIPIANI:

Mr Chairman, we have done some work over the year in making certain rooms, certain space, available within the prison complex whereby we can provide some kind of training for prisoners in the sense that they could do a little bit of carpentry, brick-laying and things like this which we could control. The item basically would be on expenditure of materials. In fact, we have trained officers to be able to carry on this kind of work.

HON A J HAYNES:

Is the Minister satisfied that this in fact is enough to warrant the item being called Rehabilitation and Education of Prisoners? Is there nothing more they can do?

HON MAJOR F J DELLIPIANI:

Well, you know, it's an item on its own because we want to distinguish that we are doing some kind of work. We also get a teacher going to the prison and in fact I've only recently had, under my other hat, our Curriculum Coordinator going to the prison and he has come up with some suggestions on the educational side of prisoners. So we are working in that context too. Maybe next year it will be slightly larger.

HON A J HAYNES:

Is the Minister thinking of having a Rehabilitation Centre some time in the future?

HON MAJOR F J DELLIPIANI:

Some time next year.

HON A J HAYNES:

Another point, Mr Chairman, a question which in fact I'm not sure how to fit into the item: it's the question of whether the security measures in the prison have now been relaxed after the prison riot, or whether prisoners do spend a large proportion of their time in cells? Could the Minister tell us how long the prisoner is expected to spend in a confined room?

HON MAJOR F J DELLIPIANI:

The prisoners are outside their cells most of the time except when they are locked up at night. We have a common room with a television and a video machine, so they are quite well entertained. The atmosphere has changed considerably from being confined to one room where the atmosphere is not conducive to good security. As to the question of television, what happened was that viewing time for them was when they were in the cells, so they were missing out on television programmes etc., and now with video they can watch the television at the hours when they are normally outside their own cells.

MR CHAIRMAN:

The restrictions imposed after the riot have been lifted now?

HON MAJOR F J DELLIPIANI:

Yes.

HON A J HAYNES:

Sir, I understand the video was in fact an anonymous donation. But, what I'm getting at is that apart from being able to watch the video as I understand it, the prisoners do not all watch the video all the time.

HON MAJOR F J DELLIPIANI:

No, we have working parties too which the prisoners can join.

HON A J HAYNES:

What I am getting at, Mr Chairman, is I understand that it is possible for a prisoner to be locked in his cell up to 12 or 16 hours in one day of 24 hours.

HON MAJOR F J DELLIPIANI:

I have never heard of that.

HON A J HAYNES:

Well, can you give me the rundown of when the prisoners are in their cells?

HON MAJOR F J DELLIPIANI:

They are locked from about 7 or 8 in the evening until about 7 or 8 in the morning.

HON A J HAYNES:

And for the rest of the day they are free?

HON MAJOR F J DELLIPIANI:

They are free, yes. They're free and they are out in work parties plus the maintenance that they do within the prison.

HON A J HAYNES:

On the question of Clothing for Prisoners, Item 7. There has been quite considerable changes in expenditure here, over the years. Can the Minister inform us whether there have been or not warm weather clothing for the prisoners during this winter.

HON MAJOR F J DELLIPIANI:

Yes, in fact we purchased army-type jerseys for them.

Other Charges were agreed to.

Special Expenditure was agreed to.

HON H J ZAMMITT:

Mr Chairman, before my colleague stands up, I am pleased to report that I have just received information that the industrial action at the Post Office has been lifted.

Head 19 Public Works - Personal Emoluments were agreed to.

Other Charges

HON W T SCOTT:

Sub-head 6, Mr Chairman, Unallocated Stores, which includes purchases, freight and other charges and so on and so forth. If I can relate that to sub-head 7, surely once the stores reach their destination, Government Stores, the element of lighterage and landing is reflected in them already. Can I have some explanation as to what is meant by lighterage and landing charges, therefore, in sub-head 7?

HON M K FEATHERSTONE:

What it says, what is paid to the shipping agents who handle the lighterage and landing.

HON W T SCOTT:

Yes, but the lighterage and landing on what?

HON M K FEATHERSTONE:

On the various stores that come in.

HON W T SCOTT:

This is exactly why I introduced it that way, because once the stores are in the stores in fact, the value of the stores includes the element of lighterage and landing surely. Or it should.

HON M K FEATHERSTONE:

No Sir, they've always been kept separate, I think afterwards they will be included in the total costs. But the lighterage and landing has for some unknown reason been kept as a separate item all the way through.

HON W T SCOTT:

So in fact, therefore, the lighterage and landing of £3,000 only refers to the £50,000 and not to the whole total of £440,000.

HON M K FEATHERSTONE:

No, it refers to the whole £440,000.

HON W T SCOTT:

But I can't see the consistency then, Mr Chairman. There are only £50,000 out of £440,000 on the allocated stores, only that part is put in into that particular column, and yet in the next sub-head some of the charges of lighterage and landing, the charges there reflect on the whole of the £440,000, and yet it comes under that particular sub-head. Shouldn't this go to other sub-heads and services.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, since time immemorial, this has been the way in which it has been done, I have just enquired from one of my staff. We'll look at this. I think the Honourable Member has a very good point. We will look into it.

HON MAJOR R J PELIZA:

Item 11, Mileage Allowance. I notice that there has been an increase of £4,000 on the approved estimate: but I also note that in 1979/80 it was £4,700. Can the Minister explain the jump, there's quite a big jump, and also to whom is this mileage allowance allotted?

HON M K FEATHERSTONE:

Part of the reason for the jump is the increased cost of fuel and oils for motor vehicles. This is paid to officers who use their own vehicles to get from one place to another. A very detailed list is kept of every journey they make and this is sent in every month so that one knows what mileage they are doing.

HON MAJOR R J PELIZA:

It's nearly 100% jump of fuel and oils, is that correct?

HON M K FEATHERSTONE:

Last year it was under estimated as you see the revised estimate was £8,300.

HON W T SCOTT:

Sub-head 12 Protective Clothing for Non-Industrials. I see it has gone up from £400 to £1,800. Is it new duties that are going to be assumed by the non-industrials, or is it the possibility where non-industrials requiring the protective clothing in the past did not have it and thereby putting some of them at risk?

HON M K FEATHERSTONE:

Sir, this runs on, I think, a yearly cycle. Every three years we have to replace certain items and that is why for the other two years the figure is relatively low: when the third year comes round and you have to replace for example, raincoats for everybody, it is a big expense in that year. And this is the year when we have to do the big replacement.

Other Charges were agreed to.

Head 20 Public Works Annually Recurrent

Beaches

HON W T SCOTT:

Mr Chairman, can I have the wages element contained within the £144,000 appearing under the sub-head, please?

HON M K FEATHERSTONE:

Yes, £123,232.

HON A J HAYNES:

Is it to keep the beaches clean or not?

HON M K FEATHERSTONE:

As I said, it depends on the rate at which people dirty

them. If people dirty them to such an extent that you cannot cope, then it doesn't keep them clean. Under normal circumstances, it does keep them clean. But when people bury such things as melon rind etc in the beach, and you don't trace it for two or three days then perhaps it gets a little dirty.

HON P J ISOLA:

How many people are involved in beach cleaning?

HON M K FEATHERSTONE:

Nineteen, Sir.

HON A J HAYNES:

This appears to be one of the vital fourS's as stated by the Minister for Tourism.

I do hope that the Minister rather than blaming those who dirty the beaches, will make an effort to ensure that the beaches are kept clean.

HON M K FEATHERSTONE:

The Minister does not blame those who dirty the beaches, what the Minister does say is that there is ample provision on the beaches for bins etc, and I hope that the general public will use them at all times and not leave, as they do on occasions, broken bottles in the beach, melon rinds and various other unpropitious articles. There are plenty of bins, and I would ask the general public, and any member of the opposition, and indeed of this side of the House, if they have the opportunity to speak to anybody about the cleanliness of the beach, to insist that those bins should be used.

HON P J ISOLA:

Sir, if the people did that would there be need for such a labour force on the beaches?

HON M K FEATHERSTONE:

Well, the beaches would be much cleaner, and if they were so clean, we might be able to cut down the labour force, but as the number of people are spread out fairly well, it might mean that some people would have a little bit of an easier time. I don't think it would cut the labour force very much.

HON A J HAYNES:

Sir, I am not quite certain on this: is the Minister saying that if people do things like throw glass and bury rind, that nothing will be done about it?

MR CHAIRMAN:

No, no, the Minister will not answer that.

Beaches was agreed to.

Maintenance of Buildings

HON W T SCOTT:

Mr Chairman, on the Government Offices and Buildings, are there any offices or buildings there that are not occupied by the Public Works Department?

HON M K FEATHERSTONE:

I don't quite understand that question.

HON W T SCOTT:

In the maintenance of buildings under that sub-head, is it buildings occupied by Government generally or just occupied by the Public Works Department?

HON M K FEATHERSTONE:

No. This is the maintenance of all buildings occupied by Government.

HON W T SCOTT:

Should not therefore the maintenance of the building say in the Secretariat, come under the head of the Secretariat?

HON M K FEATHERSTONE:

I think that to do that would be rather an invidious task because then every department would have their own separate little bits of maintenance, and since all that work is done by the staff of the PWD, it would seem rather strange to have it split up a little bit in the Education Department, a little bit in the Labour and Social Security etc. Since the labour and materials are provided by PWD then I think its in the right place.

HON W T SCOTT:

Surely, in fact, the same thing happens, on rather the opposite happens to this when the PWD Garage maintains the vehicles for other Government departments and charges them, and it appears in the other heads.

HON M K FEATHERSTONE:

Well, this is the way that it has been done for many years and I cannot see any great help in changing it.

HON W T SCOTT:

Well, except perhaps that we come up to a situation Head by Head when we have a more realistic figure.

HON M K FEATHERSTONE:

I think it might be more realistic in one way and less realistic in another.

HON P J ISOLA:

The £1,152,000 from housing. That, I presume, is exclusively spent and utilised in relation to Government Housing and nothing else.

HON M K FEATHERSTONE:

Yes, that is made up of the repairs to Housing under requisitions that come in, re-habilitation of housing, and heavy back-log of maintenance of housing, all Government housing.

Maintenance of Buildings was agreed to.

Emergency Service and Stores was agreed to.

Gardens

HON A J HAYNES:

Can the Minister give a breakdown of the figure as to the Upkeep of the Upper Rock, what that costs?

HON M K FEATHERSTONE:

About £25,000.

HON A J HAYNES:

Does this area include the pathway to the Upper Rock from Devil's Gap Steps?

HON M K FEATHERSTONE:

The repair of that pathway would basically not come in this Head, it would come under Roads etc.

HON A J HAYNES:

Can the Minister be more illuminating on the Upper Rock as to the areas that it includes?

HON M K FEATHERSTONE:

Yes. We have all the roads etc, the walls and the various other things in the Upper Rock that need such work as cementing etc, and for that there is a mason and 5 labourers employed. These labourers keep the roads etc, clear of debris, leaves, what have you, and they also undertake to make the firebreaks which we make every year so that if there is a fire it doesn't jump from one area to another.

Gardens was agreed to.

General

HON G T RESTANO:

Can the Minister say what coastal protection entails?

HON M K FEATHERSTONE:

Coastal protection, Sir, varies very considerably depending on the way the sea has behaved, especially over the winter period. Naturally, there is always some erosion that takes place and we tend to try and combat that as it goes along, but should anything severe happen in one winter then we might have to put in a bigger figure.

The idea this year is to improve the sea defence works to the north of the Lido at Catalan Bay where there is erosion all the time, it is undermining the road, and I invite anybody to go along and see that area. We have made quite a considerable advance to the works of the promenade between Catalan Bay moving northwards where

there is much more space now for people to sunbathe etc. We will also be doing more work to Keys Promenade at Camp Bay, and if you care to go down where the old Refuse Destructor used to be you can see quite a number of rather strange shaped pieces of concrete. We manufacture these and we plant these around in various areas to stop erosion. Those are the three main heads of expenditure.

HON W T SCOTT:

Mr Chairman, subhead 16. Again I did mention in my contribution on the Second Reading sick leave for workmen. I would like to have some form of assurance from the Minister that his Department, and he in fact, will be having a very close watch on this and monitoring it closely to see if the Department can reduce the 2.25 hours a week.

MR CHAIRMAN:

I think we have belaboured that point already.

HON M K FEATHERSTONE:

I am happy to answer that, Sir. We worked it out. Last year, as I said, it was .3 of a day, we have worked on a basis of .275, and figures this year have dropped from .317 down to .278 and the last average figure on 10 April was .273. If we can hold to that we have achieved our target. But we are not satisfied with that target of .273, we hope to make it even lower still.

HON P J ISOLA:

Can I ask, 1273, what is that in terms of hours per week?

HON M K FEATHERSTONE:

.273 of a day per week. If you multiply that by 8 you get the number of hours.

HON P J ISOLA:

2.18 hours per man per week. And that the Government considers a satisfactory level?

HON M K FEATHERSTONE:

No, that is what we estimated for this year which was an improvement over last year of some 10%, but obviously we

are not satisfied with that, we are going to try and get it lower than that figure. If it is lower then there will be a saving which you will see at the end of the year.

General was agreed to.

Highways

HON MAJOR R J PELIZA:

Mr Chairman, the Minister mentioned yesterday four car parks, Rosia Road, Varyl Begg, Moorish Castle and Winston Churchill Avenue, and that is going to cost £50,000. Can the Minister explain if this means we are going to have new places for cars, or it is just tidying up the area?

HON M K FEATHERSTONE:

In the main it will be new places for cars.

HON MAJOR R J PELIZA:

Can the Minister say how many, approximately?

HON M K FEATHERSTONE:

I think Moorish Castle is about 30; Winston Churchill Avenue is about 30; Varyl Begg is about 25; and Rosia Road will be about 30.

HON P J ISOLA:

As far as the Varyl Begg is concerned, I understand the Tenants' Association are concerned at the fact that the result of placing the Public Works Garage where it is now has resulted in a lot of cars coming into the area of people working in the Garage, thus contributing to the chaotic condition of parking in Varyl Begg. Does the Minister think that the additional 25 spaces is going to alleviate that situation at all?

HON M K FEATHERSTONE:

I am working very closely with the Tenants' Association of Varyl Begg. They have not represented this point to me. I think it has a certain amount of merit during the day time but of course the main need for parking space at Varyl Begg is at night and that is when those cars will not be there and the extra 25 spaces will be of value to the residents of the Varyl Begg Estate.

HON P J ISOLA:

During the day isn't there a problem because of people going away for lunch and coming back and a lot of car spaces are being taken by others.

HON M K FEATHERSTONE:

No, because the people from the garage will move away at lunchtime. I think there will be a reasonable interchange of traffic. It may make the road traffic heavier.

HON A J HAYNES:

Can the Minister tell me whether the pathway to the Upper Rock has now been repaired to their satisfaction?

HON M K FEATHERSTONE:

I have not been up there to inspect it myself but I will enquire for him.

HON W T SCOTT:

Mr Chairman, on Maintenance and Improvements to Roads, we see, and we are glad, that the Approved Estimate for last year was improved on and that almost £.25m. is being spent on improvements to roads, which I think Gibraltar sorely needs. But can I ask the Minister one question in particular, I think it is Europa Road and the paving of it, is the continuation of paving of that road reflected in the £231,000?

HON M K FEATHERSTONE:

May I ask the Hon Member what section of Europa Road he is referring to?

MR CHAIRMAN:

I think the one you referred to in your speech on the general principles, the paving of Europa Road....

HON W T SCOTT:

I am sorry, Mr Chairman, it is Rosia Road, not Europa Road, I beg your pardon.

HON M K FEATHERSTONE:

The paving of Rosia Road has got to a point where it will

more or less cease to continue because the rest of that road, all the way down to where Red Sands Road come into Rosia Road, will be moved back into the waste ground there to provide car parking space.

Highways was agreed to.

Mechanical was agreed to.

Pumping was agreed to.

Sanitation

HON A T LODDO:

On sanitation we have £35,000 on Toilets and Public Baths. May I ask which public baths? Where are these public baths? If my memory serves me right they were done away with over a year ago.

HON M K FEATHERSTONE:

Public shower baths, Sir.

HON P J ISOLA:

There is a substantial amount being voted, as the Minister has mentioned on collection and disposal of refuse, can we have a statement please on the position at the moment with regard to the collection of the rubbish dumps that are swiftly mounting all round Gibraltar?

HON M K FEATHERSTONE:

May I ask your indulgence and the Hon Questioner's indulgence to leave this till Monday when I hope to be able to make a comprehensive statement on it.

Sanitation was agreed to.

Salt Water Supply was agreed to.

Potable Water Supply

HON P J ISOLA:

I notice that we are paying for water importation.. The supply of water to shipping, is that what it is?

HON M K FEATHERSTONE:

Yes, when we supply water to shipping we have to pay certain people for various jobs, the water checker, there

are three labourers and they get overtime, but of course we get all this back through revenue.

HON P J ISOLA:

On the importation of water, I notice that £662,000 for 1980/81, for 1981/82 a lesser amount is expected, is it that the Minister expects rain at the end for the end of 1982 because with all the dry weather we have had presumably there will be a continuing need for importation?

HON M K FEATHERSTONE:

Yes, Sir, the reason that it was more expensive is that the £662,000 takes in the dry weather we have had up till the end of March. We hope in the next winter period we will not have such a dry period especially with the rain dance fellow that I am going to bring here and, therefore, we will not have so much need to import water.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, may I just make a point on the importation of water, £662,000, I have had to sign a Contingency Warrant for some £90,000 to add to this at the end of March, after the House had sat, because of the urgent need to bring in more water. I thought I should inform the House of this.

Potable Water Supply was agreed to..

MR CHAIRMAN:

I think we shall now recess, but before we do so I would like to remind Members that I circulated a table of times that we are going to meet as from Monday. There is a slight error, Monday and Tuesday we commence at 9 am and not at 9.15 am as stated in the paper.

So we will now recess until Monday morning at 9 o'clock.

The Committee recessed at 5.00 p.m.

MONDAY THE 27TH APRIL, 1981.

The Committee resumed at 9.05 a.m.

HON CHIEF MINISTER:

Mr Chairman, with your leave may we proceed with Secretariat just for a few minutes until the Minister for Port is here.

MR CHAIRMAN:

I was going to say that when we recessed on Friday we had finished Head 20 and we would go to Head 21 but we will now call Head 22, Mr Clerk.

Head 22, Secretariat - Personal Emoluments was agreed to.

Other Charges

HON P J ISOLA:

Transport and Travel, can I be told what it generally consists of?

HON ATTORNEY-GENERAL:

I think that will include the vehicle the messengers use to deliver documents.

HON P J ISOLA:

So it is exclusively internal transport and travel?

HON MAJOR R J PELIZA:

Mr Chairman, I see that the jump in this instance for the rent of flats and offices is in the region of £59,000, a jump from £95,500 to £154,700.

I know that the Financial and Development Secretary said that they were looking into all this but given the substantial increase now, and the very high amount that it is costing us every year, can the Financial and Development Secretary give an indication of by when he thinks he might be able to overcome this problem?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I think I said in answer to the original question asked by the Honourable and Gallant Member that it was not until the new Girls' Comprehensive School was completed in 1982 and we are able to move the girls from their present school to the new school that the buildings at that end will become available and some of those will become available for office accommodation.

No one regrets more than myself the fact that it will be delayed to that period and the Government generally but this is a matter of fact and we cannot speed it forward.

HON G T RESTANO:

May I ask which flats and offices will be vacated when the move occurs?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, no decision has been taken yet on this because as I said earlier in this meeting there is an Office Accommodation Committee which is chaired by the Head of the General Division and they are working on the moves that will be made. It is not possible to say at this moment of time which rented accommodation will be given up, but obviously one will need to look at leases and costs in doing this.

HON P J ISOLA:

Information Department expenditure? Does that include entertainment expenditure.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Particular Entertainment is under subhead 12, all Official entertainment should come out of that.

HON G T RESTANO:

On Subhead 13, could the Government say why there has been such a large increase in Printing and Stationery?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This is a heavy increase in printing and stationery costs generally.

HON G T RESTANO:

Is it the costs which have gone up, Mr Chairman, or is it that there is more stationery being used and more printing being used and advertising being used?

HON CHIEF MINISTER:

No, I may say something on this as I keep an eye on this one. No there is no extra other than may be required by the bureaucratic process. In fact on the question of Official Notices etc. the matter is being rationalised so that the expenditure is kept to the minimum though the information is carried on. Sometimes it has been found that the same Notice appears more in one paper than in another and it is being shared out in such a way that it will be rationalised much more than it is now. Some people take it for granted that notices are published in very big print or that they are duplicated etc. We did have an exercise on that aspect of the matter and that is being rationalised.

HON G T RESTANO:

The reason why I ask, Mr Chairman, is that with the introduction of photocopies, which as I have raised before is a very easy matter to make use of, I wonder whether that comes into this vote and how much of the increase of £35,000 is due to photocopying.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I do not think that it is possible to break down the cost on photocopying. The main cost there, of course, is on the actual stationery and in fact there is no great increase there. However, when Council of Ministers were looking at the Draft Estimates they did note the heavy increase in printing and stationery and I was instructed to issue a letter to all Heads of Departments telling them to reduce the amount of photocopies that were being made and stationery generally and to cut back expenditure on this.

HON P J ISOLA:

Mr Chairman, still on Printing and Stationery, I would like to ask whether I am right in thinking, and if not could the Government give us some assurances on this, that printing and stationery given out by Government, especially printing, is restricted to companies trading in Gibraltar and producing the stuff in Gibraltar. We feel that the one way to help the local printing industry, which seems to be quite a young but nevertheless fairly

virile industry, is to ensure that the tendering is mainly between them where possible.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I take the Honourable and Learned Leader of the Opposition's point. The only case that I know, and I am speaking now as Chairman of the Treasury Tender Board, that went outside Gibraltar was in fact given to a firm in Gibraltar but we then found that the work was in fact being done outside Gibraltar and the Treasury Tender Board have taken note of that fact.

HON A T LODDO:

Subhead 14, Recruitment Expenses, could the Government clarify two things: one, could they explain the size of the increase; and, two, what exactly are recruitment expenses?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, when we are recruiting overseas the recruitment is done through the Crown Agents. They advertise and this is the cost of the advertising and the selection procedure which is run by the Crown Agents.

HON A T LODDO:

That, Mr Chairman, explains for this fantastic jump?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I have just heard before I came into the meeting that the costs of advertising for a Computer Manager and a Programme Analyst, comes to £3,500. It is very, very expensive.

HON G T RESTAND:

May I just ask why is it then, if these expenses are for the computer staff advertising, why doesn't it not come under the general expenses of computer expenses.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Because, Mr Chairman, all recruitment expenses are brought under the Secretariat vote because the recruitment procedure is carried out by the Secretariat and not by the Treasury.

Other Charges were agreed to.

### Special Expenditure

HON P J ISOLA:

May I ask if it is two motor vehicles that are being bought?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Chairman.

HON G T RESTAND:

Mr Chairman, on subhead 82, the inquiry into Departmental Functions and Efficiency, are these £15,000 expenses for the Inquiry into the Electricity Department?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, it is a provision for inquiries generally into departmental functions and efficiency but of course the first of these, as the Honourable and Learned the Chief Minister has announced, will be that into the Electricity Department. Whether or not it will be possible to have an additional inquiry during the year it is not possible to say at this point in time.

HON G T RESTAND:

Presumably, the £14,000 in the Revised Estimate of 1980/81 was for the Public Works Department, so is it expected that the whole of the £15,000 will be taken up for the Electricity Department, and if not how is the £15,000 being worked out?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, the £15,000 is based on the projected costs. In costing these exercises one works on the basis of current salaries, and salaries have gone up since last year. The Chairman, for example, will probably be paid on the daily basis of an Assistant Secretary or Grade 2 Officer in Gibraltar.

HON G T RESTAND:

Could we know, Mr Chairman, when this particular inquiry will commence?

HON CHIEF MINISTER:

I did say in my speech that I had approached a number of people, independent persons, to this enquiry. We have already made tentative arrangements through the Foreign and Commonwealth Office about people coming from outside on the industrial side and on the technical side. We are hoping to get an independent local Chairman. I have approached a number of people, there is one prominent Gibraltarian who is at present considering whether he will accept it. I may say that the three persons which we have approached were quite happy and ready to do it until they found the nature of the time that might have to be spent on it and then they declined because of excess work which I could well understand. There is somebody now who is prepared to do a one-and-for-all exercise, who had to withdraw from other public committees because of his commitments, and he has undertaken to look into the matter and to report back. He was attracted by the idea of doing it. We have another one who would have done a very good job and was prepared to take it on but unfortunately it could then have been said that he had some direct or indirect interests in the result because he carries on his business reasonably near the Power Station.

HON G T RESTAND:

In the event of no local chairman being prepared to take this on what would Government's policy then be?

HON CHIEF MINISTER:

Reluctantly I would have to ask for advice from outside to get it. I would like these inquiries if possible to be chaired by local people who have the local knowledge and the idiosyncrasies etc, but if we are stuck against the wall because we have no one who will take it, we must have the inquiry and we must have it early, and then reluctantly I would have to go for advice to London for someone to come out to do it. But I very much hope that that will not be necessary.

HON G T RESTAND:

Does the Chief Minister have a deadline?

HON CHIEF MINISTER:

The deadline will be the result of the next candidate's reply. I encouraged him to have a word with the Chairman

of the last inquiry so that he would know more or less what kind of commitment he was entering into. I think it is only fair when you ask somebody to do a job of work like that, when you cannot tell him what he has to do, to ask somebody who has done the same work before of a similar nature, although of course I did emphasise that certainly from the point of view of scope the scope was much more limited than the one on the Public Works Department, in the sense of area of responsibility. I did encourage him but as it happened the Chairman of the last inquiry was away from Gibraltar, - I think he is coming back today or tomorrow - so I cannot get a reply until some time next week. But if that fails then short of somebody coming out of the blue, so to speak, whom we had not thought of and probably we should have thought of before, but I do not think so, because we have gone through the list very thoroughly, then I would have to have recourse to outside help for this.

HON G T RESTAND:

Would the deadline be about two or three weeks from now?

HON CHIEF MINISTER:

Certainly, insofar as the decision on whether we have a local Chairman or not, yes.

HON W T SCOTT:

Presumably the Government has the intention of making all information available to this subsequent committee. Can the Government state whether in fact this committee, whoever is involved in it, that they will be given sight of the PC & R Report?

HON CHIEF MINISTER:

In respect of the last person I interviewed for the possibility of accepting the assignment, he asked about the terms of reference and I said that this would be completely at large for him to decide in consultation with whoever he wanted in the matter. I have no doubt that everything that is available will be made available to him for the inquiry.

HON P J ISOLA:

I hope including Hansard reports and debates on the power situation in Gibraltar.

HON CHIEF MINISTER:

I have also promised the possible incumbent the help of an experienced Secretary as a previous inquiry had, and a stenographer, and I would think that a person of experience similar to that of the one who was the secretary of the local committee would be available and he would ensure that everything which is relevant is made available. In fact, I mentioned, to give him an idea of the scope, I mentioned the fact that there had been a debate so that will be made available, there is no doubt about that.

HON P J ISOLA:

We certainly would like to say that although we are voting for these funds, the proposed inquiry falls far short of what obviously we have been asking. We feel that nothing less than a proper and formal public inquiry will clarify the situation.

HON W T SCOTT:

Subhead 83, can Government say on the Pensions Legislation Consultancy, exactly what is being consulted about, the terms of reference, the scope and so forth.

HON A J CANEPA:

This is in order to carry out and get advice into a very substantial amendment into the Pensions Ordinance in order to introduce a new Pension scheme for Government employees consequent on the implementation of parity. I would envisage a new Pension Scheme closer to what they have in the UK to replace the present Pension Scheme.

HON W T SCOTT:

So in fact this is exclusive to Government employees, for civil servants, and does not cover social pensions?

HON A J CANEPA:

Nothing to do with the Social Insurance.

Special Expenditure was agreed to.

Head 21, Recreation and Sport - Personal Emoluments

HON A T LODDO:

Mr Chairman, I notice that the Overtime and the Allowances amount to about 40% odd of the salary: can the Minister say how this is distributed amongst the employees?

HON H J ZAMMITT:

Certainly, the fact that the overtime and the personal allowances are so high in proportion to other departments is because we have to keep the Stadium going at rather inordinate hours, public holidays, etc. In fact we have to cater for the community which is normally on leave at the time and we find that we have to pay such things as shift disturbance allowance, allowances in lieu of overtime and acting allowances, and as we open on Saturdays and Sundays till eleven o'clock at night and public holidays, it is quite big. We could of course cut down by not providing the service but this we would certainly not like to do.

HON A T LODDO:

Mr Chairman, I am grateful to the Minister for that information. I did realise the reason why the overtime and allowances must necessarily be high because people want to play sport when they are obviously not working but that did not answer my question. I asked how this sum is distributed amongst the employees? I take it that this applies to the salaried staff.

HON H J ZAMMITT:

No, Mr Chairman, the only person who does not get overtime is the Sports Manager. All others are entitled to overtime.

Personal Emoluments were agreed to.

Other Charges

HON W T SCOTT:

Under subhead 2, what exactly is meant by Maintenance and Running Expenses of the Victoria Stadium?

HON H J ZAMMITT:

That means the following: the playing areas, maintenance and preparation, that includes hoses, ropes, measuring tapes, floor seals, maintenance and repairs of sports equipment, maintenance of machinery - that is the tractor - diesel

repairs, paint etc, normal maintenance, minor repairs and upkeep of buildings, cleaning materials, patch-up jobs, minor repairs, departmental transport, normally goods from UK, office furniture, equipment and cabinets, publications, postage, subscriptions to rule books and text books, clothing, cleaning materials and handyman tool replacement and equipment materials, etc.

HON W T SCOTT:

I am grateful, Mr Chairman, for that long list from the Minister. I think he mentioned upkeep of building.

HON H J ZAMMITT:

Yes, normal maintenance, that is minor repairs and upkeep of the building.

HON W T SCOTT:

And in the Public Works last Friday we had a huge vote here where I suggested to Government, I think it was in Annually Recurrent, but Government were saying in fact that they took under the Public Works Annually Recurrent vote, they took account of upkeep and maintenance of Government Buildings. I asked the Government at the time whether that vote should not go to each Department pro-rata and I find that in this particular one it seems to. I think there is a certain amount of inconsistency there.

HON H J ZAMMITT:

No, Sir, these are minor repairs. The Public Works Recurrent Expenditure goes into major repairs, not minor repairs. These are minor repairs which invariably the Public Works do or if not our own Handymen can do.

HON W T SCOTT:

I am using the expression that I was given of Upkeep of Buildings.

HON H J ZAMMITT:

Minor jobs required at the Stadium not major jobs.

MR CHAIRMAN:

Isn't that vote referred to in the Public Works exclusively for Government offices, buildings and houses. It is at page 70, Subhead 2. The Minister says it is basic maintenance.

HON H J ZAMMITT:

Under item 2, it is minor repairs.

HON W T SCOTT:

So in fact there is a wages element there as well, obviously?

HON H J ZAMMITT:

No, Mr Chairman, it is all on materials there.

HON A T LODDO:

Mr Chairman, I notice that on item 2. the Maintenance and Running Expenses, the increase is exactly 12½%. Does the Minister consider that that is enough to meet all the requirements of that list? Is that a reasonable sum to meet all the requirements?

HON H J ZAMMITT:

Yes, Mr Chairman, there is a slight increase, 12½%, and as I said mainly they are just on items which do not involve any question of labour and most of that is done by the staff at the Stadium. I think it is quite reasonable.

HON A T LODDO:

On subhead 3, Replacement of Equipment, the increase here is 20%, which seems to be more reasonable in the light of the ever-present inflation. Could the Minister say what exactly is this equipment?

HON H J ZAMMITT:

Yes, that is sports equipment, that is, nets, high jump equipment, a cricket mat, wickets, etc., corner posts, flags, marking machines, brushes like a rake that is pulled behind the trailer to comb and brush the surface, it is a dragnet thing that picks up all the muck there. This is one item we are buying this year that is not annual expenditure, it is particular special equipment that is required every four or five years.

HON A T LODDO:

Mr Chairman, on wages. Could the Minister say how many people are employed on the industrial side.

HON H J ZAMMITT:

I am afraid I haven't got that figure here, I wouldn't like to guess, but I will have the information within two jiffs.

I have it - it is 21 industrials.

HON A T LODDO:

Thank you, Mr Chairman.

HON W T SCOTT:

May I ask the Minister what element of overtime is included within the wages.

HON H J ZAMMITT:

Sir, essential overtime and weekend premiums as part of a normal working week is £18,050; public holidays is £1,100; and special sporting events, covering of absences etc is £1,500; a total of £20,650.

HON A T LODDO:

Mr Chairman, subhead 6 Official Entertainment. I assume that this is the expenses for entertaining visiting teams and the like. Will the Minister correct me if I am wrong.

HON H J ZAMMITT:

The member is not wrong.

HON P J ISOLA:

Why is there an increase in official entertainment and not an increase in contributions to Sporting Associations?

HON H J ZAMMITT:

There is an increase in official entertainment, Mr Chairman because of rising costs and the fact that we find it is difficult to keep that cost down though we do our utmost not to entertain without reservation.

HON W T SCOTT:

Mr Chairman the Government do their utmost to cut down or maintain the same level of financial assistance to sporting contribution and yet it cannot do the same thing for its own entertainment.

HON H J ZAMMITT:

We have not come to that vote yet, Mr Chairman, I will talk about the financial assistance, Sir, when I am asked.

Other Charges were agreed to.

Special Expenditure.

HON A T LODDO:

Mr Chairman, will the Minister not consider, seeing that the maintenance and running expenses of the Victoria Stadium was a very reasonable increase of 12½%, and the replacement of equipment. I would think in this day and age is an equally reasonable increase of 20%, would the Minister not consider it reasonable that contributions to sporting societies should have gone up at least somewhat, because we also have the official entertainment vote going up. Does the Minister not agree that inflation has to be taken into account when making these contributions to sporting societies?

HON H J ZAMMITT:

Mr Chairman, Government has not forgotten or ignored the fact that prices escalate and there will be a need, however, if Members will look there is £100 token there for the implementation of charges, and within that context there is a percentage of that amount going as a direct contribution to sporting associations. The other percentage will go to the obtaining of additional facilities. So upon the implementation of the charges the contribution will be probably more than doubled.

HON A T LODDO:

Mr Chairman, then I am right in assuming that they are dangling a carrot: if the charges are going to be implemented then we will take into account inflation, but if I cannot push through the charges then you will

have to do with the same as you had last year, or the year before.

HON H J ZAMMITT:

I do not think it is a question of "if", this is Government policy and Government will introduce charges at the Victoria Stadium.

HON P J ISOLA:

That was Government's policy last year, wasn't it? You said you would do it during the year and you didn't, Mr Chairman.

HON H J ZAMMITT:

Yes, Mr Chairman, we had an awful set-back, as I think Members are aware, and there is now a basic agreement that some form of charge will be made. As I said in my brief contribution a few days ago, whether the charges are to be membership, a count-per-hour basis, or charges, is a matter yet to be agreed to, but there will certainly be some form of charge.

HON A T LODDO:

Mr Chairman, be that as it may we believe that it is wrong that no provision should have been made for inflation in the grants.

HON H J ZAMMITT:

Well, I am glad the Member thinks that way but we think otherwise. We think that sports will benefit much more by a charge structure. Government does not want to make money out of the users of the Stadium, it merely wants them to contribute to its upkeep. We feel very strongly that they could benefit at least by double this amount which would be available to them as a direct contribution to sporting associations.

HON G T RESTANO:

Mr Chairman, am I to take it that that is a definite policy statement, that Government intends to make no profit at all from the charges and that all the charges will be returned to sport.

HON H J ZAMMITT:

Mr Chairman, no that is not so.

We intend to divide the takings three-fold. One third goes towards direct contribution to sporting associations; one third goes towards a further expansion to sporting facilities; and the other third goes to Government. Now the third that goes into Government is going in because whichever system we implement will require some additional staff.

HON A T LODDO:

Mr Chairman, my mathematics don't work out here. The Minister said earlier that if the charges are implemented the contribution to sporting societies would double virtually. Well, a third of £14,000 is very roughly £5,000 and I cannot see £5,000 being double to....

MR CHAIRMAN:

Why £14,000?

HON A T LODDO:

Because it is shown as expected revenue from charges.

MR CHAIRMAN:

We are talking about the increase and not the full charge.

HON A T LODDO:

No, the Minister has said that if the charges are implemented it could very well be that the contributions to sporting societies would be doubled. But it is expected, on page 10 subhead 6, that the receipts from the Victoria Stadium charges are expected to be £14,300. Now the Minister has just told us that these receipts will be divided three fold, one third of which will go towards contribution for sporting society. Well one third of £14,000 is not where double £12,500.

MR CHAIRMAN:

Well I think perhaps in order not to go on indefinitely you should ask the Minister whether he expects the charges to come to approximately £14,000, or to confirm the fact because otherwise we will get nowhere.

HON A T LODDO:

Thank you, Mr Chairman. Will the Minister confirm, he can take it whichever way he likes - that the charges if implemented will result in £25,000 contributions to sporting societies, or conversely that he has underestimated what he is going to get from charges in the Victoria Stadium.

HON H J ZAMMITT:

Mr Chairman, the charges at the Stadium, as I said before, are not yet agreed whether it will be membership, count per hour basis, or admission fee. In one instance I can tell the House the recoupment will be something close to £40,000, total recoupment. Now taking that into account we are now talking of an extra £15,000 roughly going each way. The £15,000 going into that, as I said at least would make up £37,000, the other £15,000 approximately going to further facilities, and the other £15,000 will have to come back to us as I have said before, because you have to have somebody either collecting money permanently at the Stadium or people to show cards to and this would require extra staff. We assess that by the introduction of a charges admission fee something like token £40,000 could be recouped.

HON P J ISOLA:

What is the staff required envisaged by the Minister on this.

HON H J ZAMMITT:

Mr Chairman, again it depends entirely on the scheme. If it is going to be a membership scheme then more staff would be required, we would require a Clerical Officer, and then we would require two people extra, which would probably mean four because of shift duties. If we want service we have to pay for it, there is no doubt about it, people cannot be expected to work until 11 o'clock and not be paid. We would require two people, one to examine cards and one to take money from persons who have

not become members through the turn-stiles. If there is a straight admission fee, that is everybody going in paying a fee, then of course we would only require probably one or two at turn-stiles.

HON P J ISOLA:

Is there any calculation between the rates of staff and income, because if the purpose of raising charges is to pay for staff is there any point in doing that, Mr Chairman.

HON H J ZAMMITT:

Of course we want to make sure that there is no further Government burden. No charges would ever pay the staff as such. Do not forget the Stadium is catering not just for competitive sport it caters for educational purposes too, so we can never expect the competitive sport to pay for the upkeep of the Stadium, it is just a contribution as is done everywhere in the world, Mr Chairman, Sir.

HON P J ISOLA:

We have said we don't favour the system that Minister is describing we have already given our views last year but there is now some democratisation apparently in the sporting committee in the sense that it is elected to the Sports Council so we do not wish to interfere with that sort of process of negotiations, but we have to express our concern that the Minister, who is the Minister for Sport really not Minister for Victoria Stadium, should feel that he can hold back at least giving the sporting societies the inflationary increase in costs which he is giving every other vote in his department, that he feels that he can hold that back and we wonder where that is in the interest of sport which he is meant to protect Mr Chairman.

HON H J ZAMMITT:

I don't see the argument quite honestly, I do not see why we should add more money to that particular vote when there will be more money. They will obtain an enormous amount of money, much more than they have ever had before.

HON P J ISOLA:

But the money must be put on the vote if it is going to be used surely, Mr Chairman.

HON H J ZAMMITT:

Well it is £12,500, Mr Chairman, and I think this is quite good. I think it is good money that the taxpayer is contributing towards the direct contribution to sport in addition Mr Chairman, to the facilities that are being offered. And I think, Sir, no one can complain, no one can complain about the facilities the Government offers right up to 11 o'clock at night and in addition you give Government grants.

HON P J ISOLA:

What the Minister is now saying is: now he seems to be coming out in his true colours, what he is saying really is, I don't want to increase that vote to sporting societies, we are going to stay exactly the same, that is sufficient in my view. But it is not in his view sufficient for example to keep the same amount of money for official entertainment: he pushes that up and other matters in the Victoria Stadium. What we are asking is that the contribution to the sporting societies should at least keep up with inflation.

HON H J ZAMMITT:

Mr Chairman, I would like to remind the Honourable Member opposite that way back in 1972, when I took over this ministry, there was £1,200 for that purpose which included cultural organisations; so I have had concern of raising that £1,200 to £12,000.

HON P J ISOLA:

If the Minister does the same sort of mathematics as the Chief Minister did in the budget yesterday in which he indicated a budget in 1971 of around £3m as against £50m today, if the Minister makes that sort of calculation as far as contribution to sporting societies is concerned he will find that there has been a real loss between 72 and 81.

MR CHAIRMAN:

Right, we are not going to argue any further.

HON A J HAYNES:

Mr Chairman, can I ask for some information?

MR CHAIRMAN:

Most certainly, if you wish to get some information, most certainly.

HON A J HAYNES:

On the charges structure. Will the implementation of the alterations to the charges structure allow those who pay more rights at the stadium?

HON H J ZAMMITT:

Absolutely not. If you pay a fee to go into a centre or stadium you pay a fee to go into the centre, it is not a membership scheme. A membership scheme, as I explained here in this House some time ago, entitles a member to make bookings, no other advantage. In these circumstances if we have an admission charge then there is no question of advantage you just go into the stadium and use the facilities.

HON A J HAYNES:

Could the Minister say is there any help to the sportsman who suffers from petty bureaucracy at the stadium. For instance, from my own experience and from that of others I know that if a football team books the main court and then when it arrives it is playing in the training area, if the other team does not arrive and they ask to have a game among themselves on the main pitch and they are told, no, you can only play on the main pitch when there is no other team, they say, well, can we go to the training area, and they say no you cannot go into the training area when the main pitch is booked. But they say the main pitch is booked by us and we are not playing. No, the rules are like that, and as such this team find that they cannot play amongst themselves and they have to go home, all because of some fairly minor rules. Similarly with the courts

inside the stadium, if the hour for badminton has expired and it is now the hour for volleyball even if there is no one there to play volleyball they no longer play badminton.

Now will the people who now pay to enter the stadium have any recourse to ensure that common sense is introduced to the legislation of the Victoria Stadium.

HON H J ZAMMITT:

Mr Chairman, Sir, common sense costs money. And because we don't allow any friendly games to take place under floodlight to keep costs down the fact that a team has booked the main pitch and has then been told to go into a smaller pitch I am afraid I couldn't answer that particular case at issue, I do not know the circumstances.

MR CHAIRMAN:

No, no, what you have been asked is that if a team has booked the main pitch and it doesn't turn up, or their opponents do not turn up and therefore they are not using the main pitch, they are not allowed to use the training area simply because the main pitch has been booked.

HON H J ZAMMITT:

Ah, Mr Chairman, that is not a stadium requirement, it is not a stadium condition. As I understand it, Sir, it is the Football Association when they have a game or they have a booking in the main pitch they do not want to have training on either side because the referee gets interference and in fact they do not even want athletics to take place.

MR CHAIRMAN:

Again I think you have missed the point. It is when the main pitch has been booked by two teams, one team turns up and the other one doesn't turn up, and, therefore, the main pitch is not being used, the team that has turned up is not allowed to use the training area because the main pitch has been booked, even though it is not being used.

HON H J ZAMMITT:

I do not understand the point that, if one of the two teams that have booked the centre pitch and one has failed to turn up and, therefore...

MR CHAIRMAN:

And, therefore, there is one team which is at a loose end and they say they want to go to the training area....

HON H J ZAMMITT:

I see, well I don't know, that particular one I do not know.

HON A J HAYNES:

I know because it has happened to me playing badminton. I have been told the hour is up, I can see there is no one else in the stadium, no one else is going to use that facility, yet because now theoretically it has switched to volleyball or what it was no one else can play badminton.

And similarly with football. The man in charge of the Stadium says, I know there is no one playing on the main pitch but since the rules say that when someone on the pitch or when the main pitch is being reserved, no one can play in the side pitches.

HON H J ZAMMITT:

All I do know about the badminton one, Mr Chairman, is that if somebody is playing badminton and they have a period and then the next game coming in is volley-ball, then of course there is a requirement to take those nets away and put up a volley-ball net. If the Honourable Member comes to see me on this I will take it up...

HON A J HAYNES:

Will the man who pays charges now be entitled to have the problem sorted out immediately or will he have to wait for a year before someone comes to the House and asks questions about it?

HON H J ZAMMITT:

Mr Chairman, no it is a question of policy and the staff at the Stadium carry out the policy the Government implements and lays down.

MR CHAIRMAN:

What you are being asked is whether you are prepared to go into the matter to see that the policy is rationalised.

HON H J ZAMMITT:

I cannot promise that, Mr Chairman. Today we have a Sports Committee down there and any problems can come and be aired down with the Committee and I shall certainly consider and look at it.

HON MAJOR R J PELIZA:

In view that the Minister obviously has not got a definite plan on this business of collections, and in view also that he does not know what the cost of collection is going to be, couldn't the Minister appear to be more reasonable by saying that it is the intention of the Government to go ahead with the scheme but not necessarily say that it is policy already, before he knows what the scheme is going to be.

HON H J ZAMMITT:

I can assure the Honourable Member that I do know what the scheme is going to be, Mr Chairman. The fact is that if I said it then the Opposition would say I was not being democratic because I had not consulted the Sports Committee.

MR CHAIRMAN:

We had better leave it at that. Unless there is a question which is seeking information we are not going to debate the matter.

HON MAJOR R J PELIZA:

The only thing, Mr Chairman, is that certainly from the information given to this House he doesn't seem to know.

HON A T LODDO:

On subhead 81, £1,600 for the purchase of a Trailer Unit. Could the Minister say what this Trailer Unit is?

HON H J ZAMMITT:

Yes, Mr Chairman, this is the articulated trailer that goes on to the tractor which is now some ten years old and is being condemned. The police will not allow us to go on to the road with the trailer without buying a new unit.

HON A T LODDO:

On subhead 82, a token of £100, could the Minister say what this token is for?

HON H J ZAMMITT:

The token is for the implementation of a scheme which will necessitate a corridor being built from phase 2 of the Stadium to phase 1, a communication corridor.

HON A T LODDO:

Mr Chairman, where is the provision for the swimming pool which we were told about.

HON H J ZAMMITT:

I explained it very, very clearly, it is in Item 104, Public Works, subhead 8.

HON A T LODDO:

Mr Chairman, before we finish on Special Expenditure, I have noticed that there is no provision anywhere for benches of a more durable nature which were going to be looked into this year.

HON H J ZAMMITT:

Mr Chairman, that is in Item 104, Minor Works. If the Honourable Members kept their ears open and listened to what one had to say during one's contribution then they of course wouldn't ask such stupid questions.

MR CHAIRMAN:

Order, order! But you haven't finished your question. You have been asked why the Public Works and not this vote.

HON H J ZAMMITT:

I did, Mr Chairman, with great respect, Sir. It has been said by my Hon Colleague the Minister for Public Works, and it was in answer to the Hon Mr W Scott, that it was considered by Government that major repairs should be within Public Works and not itemised within each Department.

HON P J ISOLA:

I presume the Minister is talking of Head 104 in the Improvement and Development Fund and not the Public Works vote. Perhaps he would indicate in Head 104 which is the one? Is it Departmental minor works is that it?

HON H J ZAMMITT:

Yes, Mr Chairman, it comes under item 8, £292,310.

HON A T LODDO:

Mr Chairman, how can the building of a swimming pool be minor works?

HON H J ZAMMITT:

For a very simple reason, Mr Chairman, that the building of the pool will hopefully be carried out by the Royal Engineers through the excellent support that His Excellency the Governor is giving to this scheme. All that we will have to pay for hopefully is just materials.

HON A J HAYNES:

Does that sum also include any money for the mini-Olympics or not?

HON H J ZAMMITT:

No, Sir, we do not pay for the mini-Olympics, but it just shows you, Mr Chairman, how light-heartedly the Opposition take things regarding sport.

HON W T SCOTT:

If the Government reckon, whatever the precise details of the revenue-raising scheme on fee-paying that they have, and we accept what the Minister said that they have a scheme but obviously he is not at this stage willing to give it to the House, but he has a finite figure for revenue of £14,300 from collection of fees, and yet there is only a token sum for structural alterations to implement those charges. Can we have some ideas from the Government why this should be so.

MR CHAIRMAN:

It has been clearly said.

They only need £100 because all they have to do is build a corridor to join one part of the Stadium to the other to give access, I imagine. It is as simple as that.

HON CHIEF MINISTER:

Surely, Mr Chairman, some Honourable Members should realise that the token vote is only in order not to be able to alter the structure of the Estimates in the course of the year when we come for a supplementary and there is provision for it. It purely means an intention of which the House will have to consent to the structure of the particular expenditure.

Special Expenditure was agreed to.

Head 23, Telephone Service - Personal Emoluments

HON G T RESTAND:

Mr Chairman, could the Minister say...

HON DR R G VALARINO:

Before we start there was a slight mistake on Technician A: the five should be a three with the subsequent reduction in the total number which is 53.

HON G T RESTANO:

Could the Minister explain on Personal Emoluments why it is that for example in the other two Departments for which he is responsible, Electricity and Fire Services, the difference between the Revised Estimates for 1980/81 and the estimate for 1981/82 range between 26.3% for Electricity and 32.4% for the Fire Services, if the increases are added up together, but yet for the Telephone Department the figure is 97.7% in total increases.

HON DR R G VALARINO:

Yes, Mr Chairman, the Hon Mr Restano has obviously not read the little b. at the end of the page which says that Personal Emoluments provide for the temporary Telephone Trunk Operators previously included under the Improvement and Development Fund Head, Telephone Service. This applies to the salaries, overtime and allowances.

HON G T RESTANO:

Will the Minister say how many individuals this applies to?

HON DR R G VALARINO:

If the Honourable Member will look at the top of the page he will find out that under Temporary Assistance (14) there are eight Telephone Trunk Operators.

HON G T RESTANO:

The Minister is saying that for temporary assistants on eight Telephone Trunk Operators, that that is the reason for the difference between the average in his other two Departments of about 30% and 97% this year.

HON DR R G VALARINO:

No, Mr Chairman, I did not say that. I gave that as the main reason. The other reasons are, as the Hon Member will see from the establishment, the five Trainee Technicians, the recruitment of the British Post Office technical staff and the salary of the temporary Trunk Operators. The rest of the increase reflects the 1980 Pay Award, annual increments and substantial increases in the on-call and other allowances, Sir.

HON G T RESTANO:

Would the Minister also say why the allowances have jumped so considerably, 67%? What is this in aid of?

HON DR R G VALARINO:

The allowances as far as I am aware, I am not as mathematically minded as the Honourable Member, but the allowances I do not think they have jumped up that high. The allowances cover temporary allowance, shift disturbance, substitution allowances, etc. All these allowances were reviewed during the last year, Sir.

HON G T RESTANO:

Would the Minister explain why it is, that he seems to think that the jumps have not been so great. I can tell him it is 67%. How do allowances jump in one year from the Approved Estimates to this year's by 67%?

HON DR R G VALARINO:

The Honourable Member still misjudges the point. I believe that little b. should be beside the allowances as well. The allowances not only cover the Telephone Trunk Operators but also the temporary Telephone Trunk Operators, therefore, the allowances cover the whole of the Trunk Operator figures. It is not only the twelve as envisaged but the whole number.

HON G T RESTANO:

For how long will this temporary assistance be required?

HON DR R G VALARINO:

We have gone into this many times in the past and we have said that this will be required until IDD comes into service and we are able to dial straight through.

HON G T RESTANO:

Is the Minister saying that once IDD is installed these eight temporary Operators will be dismissed?

HON DR R G VALARINO:

Mr Chairman, these temporary Trunk Operators are being employed on a temporary basis. Once the IDD project has been introduced the whole situation will be reviewed and whether there is any need to retain any of the temporary Trunk Operators will then be looked into.

Personal Emoluments were agreed to.

Other Charges

HON G T RESTANO:

Mr Chairman, I would like to know first of all how many industrials are employed by the Department?

HON DR R G VALARINO:

Sir, the total number of industrials throughout the various sections of the Department is 71.

HON G T RESTANO:

May I ask, Mr Chairman, how much in wages is contained in subhead 5, 6, 8 and 9, and possibly 12?

HON DR R G VALARINO:

Mr Chairman, 5, 6, 8 and 12. Let us take subhead 3 which is wages as well, on subhead 3 the wages is £14,000; on subhead 5 the wages are £43,300, that includes wages and allowances, Sir. On subhead 6, Sir, the wages are £196,540 and allowances are £35,260. On subhead 8, the 372.

wages of the Apprentices are £5,250, and on subhead 12, wages are £24,310 with allowances of £3,360.

HON J. BOSSANO:

What is required is the total cost of employing the 71 industrials. Surely there is a figure that can be produced without everybody having to do individual additions for every subhead?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The figures which I have, Sir, total £351,000 for the basic pay, overtime and allowances.

HON G T RESTANO:

May I ask how much staff is in fact employed in the connection of new telephones.

HON DR R G VALARINO:

Mr Chairman, Sir, the connection of new telephones is done mainly by the external staff, it depends very largely on the external staff, and not only that, it has to vary according to a fine ratio between the amount of faults that industrials have to cope with and the amount of telephones that they have to instal, Sir.

HON G T RESTANO:

What I asked was how many were employed in the connection of new lines.

MR CHAIRMAN:

You have been told that none of them are employed in connections. There is a work force which deals with faults, installation of new telephones and such like and it depends on the load of work on one as to how much time they can dedicate to the lines. At least that is the answer as I understood it.

HON G T RESTANO:

Well, how much time would they normally dedicate to the 373.

installation of new telephones.

HON DR R G VALARINO:

Mr Chairman, this is really a supposition because an industrial...

MR CHAIRMAN:

If you do not know - I don't suppose a Minister is supposed to know the details to that extent. If you know the information give it and if you don't say you haven't got it. It is as simple as that.

HON DR R G VALARINO:

Certainly, Mr Chairman, the information is impossible to give but as we have already said before that 412 new telephones were installed last year.

HON G T RESTANO:

412, Mr Chairman. This is precisely why I was asking this question. 412 excluding Saturdays and Sundays and public holidays, is about 1 3/4 telephones a day, with a staff of - this is what I am trying to find out, but what sort of staff? I don't think it is a good position at all to be in, 1 3/4 quarters telephones a day.

MR CHAIRMAN:

Well perhaps I may suggest the question to be asked by the Honourable Member is, is Government satisfied with the productivity of the department. Let us not go into detail because otherwise we will never finish.

HON G T RESTANO:

He said in his contribution to the general debate that he was satisfied. And I don't think 1 3/4 telephones a day is anything to be satisfied about!

HON DR R G VALARINO:

Mr Chairman, if I could have a word. The Honourable Member forgets my opening address in which I said the line section was responsible for the connection of 412 new telephones, an increase of about 25% from last years figures bringing up the total number of telephone stations to 9,486. There were also 231 telephones moved from one address to another and another 228 miscellaneous work orders completed. Apart from this there is the fault repairs section Sir.

MR CHAIRMAN:

We are now debating generally the productivity of the department by grouping together the wages elements in six or seven sub-heads. That is what we are doing. I shall say it once again, we will deal with each subhead individually. Yes Mr Isola.

HON P J ISOLA:

Mr Chairman, what we are trying to do is to get Government to justify its expenditure, the money it is seeking. And what my Honourable Friend is trying to do is trying to ask the Minister if the expense justifies 412 new lines a year.

MR CHAIRMAN:

The question of justifying expenditure generally was discussed in the second reading of the Bill. The question of justifying a particular subhead is what should be done now: a particular subhead not the departmental Head.

HON CHIEF MINISTER:

Mr Chairman, I have said many times, if Honourable Members opposite are interested in any particular field of detail which it is impossible for Ministers to be responsible in committee - if it were when you have your civil servant next to you all the time but it is impossible for the Minister to know all the details. If any of this particular information on subheads were agreed such as the Honourable Mr Restano has been trying to obtain about numbers of people employed, how much money there is for wages and how much money there is on

overtime, how much money is in allowances, if all these questions were asked in advance, Mr Chairman, or a notice were given in advance, then in the preparation of the estimates, which is a very elaborate matter in which Ministers have an early say and then there is a political say, then we would have this information available. This information is there it is all factual and easily available and can be given, there is nothing to hide. The point is that this is not the time really to be making sums as to how many people out of a general picture of what the Heads of Department have to cope with all the year.

MR CHAIRMAN:

Yes, I must say that I have been very strict since I have been sitting in this chair that I will not allow the business of the House to be interrupted by the fact that Ministers may not have the relevant information and will need to consult civil servants in the House. I have not allowed it to the extent that I have given my ruling to Government that civil servants should not approach them; that they should approach their civil servants, because otherwise we cannot have a coherent fluent debate or procedure in the House. It is getting to the stage now where we are even waiting and stopping to see whether members can do calculations. That is not the way to run the House and we mustn't. We must realise that if detailed information of a nature which in the first instance cannot be within the knowledge of the Minister who is going to be asked, I think notice should be given in order to at least help the work of the House.

HON P J ISOLA:

Naturally we accept what you say obviously. It just seems to us that it is a matter of degree; one would expect Ministers to have a certain amount of knowledge of their department. For example can the Minister tell me, assuming the cable is there and the telephone is there, the equipment is there and the line is available, in respect of a new telephone, what is the time that the subscriber has to wait for before it is installed? Has he got an idea of that? Assuming everything is there which apparently it is.

HON DR R G VALARINO:

Mr Chairman, there are two things in the connection of

telephones. One is emergency telephones, priority telephones, and the other is the ordinary telephones. But it depends very much upon whether the line is there and whether we have enough capacity to put the telephone there.

MR CHAIRMAN:

Yes but what you have been asked is for an average of how long it takes to do this work.

HON DR R G VALARINO:

It is very difficult to say: I in fact in my speech last year I said that we were laying a new cable to Catalan Bay. In fact once we laid the cable to Catalan Bay we were able to fix all the faults in Catalan Bay. So it really depends whether the cables are there: it is impossible to say what the Honourable Member would wish me to say.

HON G T RESTAND:

Does the Honourable Minister have the figures for overtime for industrials in the department?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

£34,400, Sir.

HON G T RESTAND:

Has the Committee on Overtime that the Chief Minister has mentioned in fact looked into this particular department yet? Is the Government satisfied with the overtime being done by the department?

HON DR R G VALARINO:

Yes, Mr Chairman.

HON G T RESTAND:

May I ask what the consultancy fees under subhead 10 will be for?

HON DR R G VALARINO:

Yes, Mr. Chairman, this is basically a token vote as far as consultancy fees are concerned, it has been put down as a token vote in case they need any consultation from the BPO from Telecom this year. So this is only a token vote of £100, Sir.

HON G T RESTANO:

Consultations for what?

HON DR R G VALARINO:

On many things, Sir. On structuring of IDD, on new tariff rates, things like this, Sir.

HON G T RESTANO:

But wasn't all that information and all that provided by the British Post Office and by their consultants about two years ago?

HON DR R G VALARINO:

No, Sir. Not in detail and the Honourable Member must know that things like tariff rates change continuously.

HON P J ISOLA:

Subhead 12. The note says it provides for the connection and replacement of private branch exchanges and carrier system. I am wondering why is there a special vote. Is it a particular campaign that is going on, you know, a special vote.

HON DR R G VALARINO:

No, Mr Chairman, this is basically one of the demands of the Services for special services and as it says it provides for the connection and replacement of private branch exchanges and carrier systems. What we are trying to do is to up-date the whole network within Gibraltar, Sir, and not only that but to instal carrier systems, which is a method whereby by the provision of a carrier, which is a small box, we are able to use two lines where there are no available lines there. Therefore, if there isn't a cable with enough lines by

using a carrier system we can have two lines and supply a customer who has been waiting for a considerable amount of time and therefore relieving his problems, Sir.

Other Charges were agreed to.

Special Expenditure.

HON G T RESTANO:

When is the directory expected to be printed, Mr Chairman?

HON DR R G VALARINO:

Again, Mr Chairman, this is a token vote. This is to be able to go out to tender before the financial year and due to IDD in fact the last telephone directory was printed in 1979; there will be the removal of the older exchange; there will be changes of numbers; and in fact it is anticipated to publish a new directory sometime in late July 1982 to coincide with the installation of IDD.

Special Expenditure was agreed to.

Head 24 - Tourist Office - Personal Emoluments.

(1) Main Office.

HON MAJOR R J PELIZA:

Mr Chairman, I wonder if the Minister, on reflection on what was said here on the second reading of the Bill, has any intention whatsoever of adjusting his staff from the local office to the UK office to perform the task that is so much required at the other end?

HON H J ZAMMITT:

Mr Chairman, no, Sir. The Government, as I said in my contribution, the Government will continue to maintain, as all Tourist Offices do, a tourist office in Gibraltar

and just sufficient in London to keep up the flow of tourists to Gibraltar. I would like to remind the Honourable Member that if the need today is, because we draw some 80-90% of our tourist trade from London, it would be required Mr Chairman, Sir, a Tourist Office to be augmented if the Spanish restrictions were to be lifted, or anywhere else where you could draw tourism from, and I think the answer is, no, Sir.

HON MAJOR R J PELIZA:

I think the Minister must realise that in the event, for instance, of the frontier opening I think perhaps the structure will have to change regardless of what may happen. I am talking about UK and I also hope that even if the frontier opens, taking into consideration that the restrictions will only be suspended, that he will not put all his eggs in that basket and he will keep the UK market very much alive.

MR CHAIRMAN:

We have a separate item later on for the London Office.

HON MAJOR R J PELIZA:

I cannot hear you.

MR CHAIRMAN:

There is a separate subhead for the London Office.

HON MAJOR R J PELIZA:

Yes, I am just talking on the establishment, I won't bring up this argument again, Mr Chairman.

HON H J ZAMMITT:

Mr Chairman, Sir, the Government considers that the present set up in the London Tourist Office is adequate to cater for our needs.

HON MAJOR R J PELIZA:

Mr Chairman coming now to the actual sums of money: on the question of overtime and allowances could the Minister explain where the overtime goes and perhaps what the allowances are for please?

HON H J ZAMMITT:

Mr Chairman, the overtime in the Tourist Office is mainly used in connection with special events, that is to say, when we receive VIPs that go on Rock tours; the late arrivals of cruise liners out of office hours; the late arrivals of planes after office hours; and, therefore, it requires obviously people to be in attendance outside the normal working hours. And of course it does cater for some special events like the Song Festival or when the Cave is hired out and we keep staff up there in a supervisory capacity.

HON MAJOR R J PELIZA:

On the overtime first of all, could he say how many people share that amount.

HON H J ZAMMITT:

Mr Chairman, a great majority of them according to circumstances; the driver for instance is one that springs to mind as being particularly common for him to work overtime and the girls at the Piazza Tourist Office on the arrival of liners outside normal, working hours, and the industrials, the two or three industrials we have and VIP guides, and the like.

HON MAJOR R J PELIZA:

So altogether how many?

HON H J ZAMMITT:

Well, Mr Chairman, I couldn't say altogether, excluding the Director I think everybody does a little bit of overtime.

HON MAJOR R J PELIZA:

What is the number, more or less?

HON H J ZAMMITT:

Something in the region of 13.

HON MAJOR R J PELIZA:

And the allowances, he didn't mention the allowances?

HON H J ZAMMITT:

Allowances are purely acting allowances, Mr Chairman, when somebody acts for the Director etc.

Personal Emoluments - Main Office were agreed to.

Other Charges.

HON MAJOR R J PELIZA:

Mr Chairman, on subhead 4 I see the Maintenance of Running Expenses of Motor Cars; he puts that in the plural, is it perhaps because we are going to have another one or have they always had more than one car?

HON H J ZAMMITT:

We are buying a new vehicle Mr Chairman, so the maintenance cost will be reduced. I think we have two cars, yes.

HON MAJOR R J PELIZA:

You had one before and you are going to have two now?

HON H J ZAMMITT:

We had two before, Mr Chairman, and we are replacing one. We had two: a van and a staff car.

HON MAJOR R J PELIZA:

On subhead 14. I didn't realise we are going so far. I know that the Minister said that he couldn't possibly give me the breakdown of the £200,000 at that stage, he was going to consult the trade generally. I wonder if the Minister would give an undertaking that perhaps he could let me have the break down when this is available, which will hopefully not be very long delayed.

HON H J ZAMMITT:

I will give him a breakdown of the £200,000. But I must rectify that it is not that I am consulting the trade, our Advertising Agents are coming out here in the early part of May, and then the Director and myself will discuss how the £200,000 will be spent.

HON MAJOR R J PELIZA:

So is it the intention at all of the Minister consulting the trade on this vote?

HON H J ZAMMITT:

Oh, the trade have been consulted in the form of the seminar we held. How the money is to be spent depends on how the experts feel we could best put our money to use.

HON MAJOR R J PELIZA:

So has the Minister now given up his hope of forming an Advisory Board. I think he accepted the motion on this, that he was going to go ahead with that. Isn't the Minister going ahead with that now? Is this another U-turn?

HON H J ZAMMITT:

Mr Chairman, no one is talking of U-turns any longer.

I think we have agreed that the setting up of an Advisory Board will be there. The money must be projected within the 1981/82 Budget and we will have to consider and consult with the experts who will advise us how we should best spend that money. The fact of advertising has been put to the Seminar and of course as we all know the Seminar recommended possibly doubling the expenditure.

HON MAJOR R J PELIZA:

Yes, but I think, Mr Chairman, those are two very different things. The Seminar, as far as I know, have got no official recognition of any sort whilst an Advisory Board I think would be more binding on the Minister, and surely this big sum of money which is going to be spent for this coming year, the Minister should at least have the Board ready before he finally decides how he is going to spend that money. Certainly, I do not believe the trade is going to think there is all that cooperation coming from the Minister.

HON H J ZAMMITT:

I think the trade is quite happy with the way things are going at present, Mr Chairman. I would repeat, it is an Advisory Board. The policy is Government's. How the money is spent is not for the Advisory Board to direct. The question that we can consult them is something completely different, but the question of how public funds are spent is up to this House and the Government's policy.

HON MAJOR R J PELIZA:

I have not disputed that, but I think the Minister has not cleared a point which I said before, the great difference between a Seminar and an Advisory Board which I say has some official recognition.

MR CHAIRMAN:

I think the Minister has been very clear. He will take the advice of the Advisory Board; how the money is spent is a matter for the Government in consultation with that Board.

HON MAJOR R J PELIZA:

Yes, but the point, Mr Chairman, is that there is no Advisory Board to give them that advice yet, and if he goes ahead with breaking up this £200,000 and spending it the way that he believes it should be spent, on the advice of the Advertising Agents in UK, obviously the trade itself will not have had a say.

The point of view of the Advisory Board will not have been obtained. What I am saying is, couldn't he get that Advisory Board going before he actually decides how he is going to spend his money. That is what I would like to know. Will he do that or will he not?

HON H J ZAMMITT:

Mr Chairman, I will try to do that but I will remind the Hon Member that we have had several meetings with the Advisory Board and there is still some clearance required as regards terms of reference.

Other Charges were agreed to.

Special Expenditure

HON MAJOR R J PELIZA:

The purchase of a motor van. Could he say whether this was replacing one, and what is it used for?

HON H J ZAMMITT:

This is replacing a mini van which is working up and down the Rock all day and has given quite good service.

Special Expenditure was agreed to.

(2) London Office - Personal Emoluments were agreed to.

Other Charges

HON MAJOR R J PELIZA:

Subhead 2, General Office Expenses £15,500, it has gone up by £5,100.

HON H J ZAMMITT:

Mr Chairman, yes this item has gone up. It will be noticed, Sir, that it has gone up because we had a refund of £4,000 from UK income tax that we are paying that end and of course it is now refunded from this end, otherwise we are paying twice, and National Health Insurance has gone up, that I think there is £4,000 there. The maintenance of the air conditioning in the basement office, Mr Chairman, has gone up slightly by £400, so there is £4,500 that has been added to this year's charges.

HON MAJOR R J PELIZA:

Did the Minister say something about National Health Insurance? Isn't this part of the emoluments?

HON H J ZAMMITT:

No, Mr Chairman, Other Charges. I don't know about National Health Insurance I think that is also refunded because otherwise again we would be paying twice, but they are refunded to us by local offices here, Sir.

HON MAJOR R J PELIZA:

If the money is refunded how do we go up then by £5,000, this is what is not clear.

MR CHAIRMAN:

It has got to be paid then it is refunded.

HON MAJOR R J PELIZA:

In fact although we have an increase of £5,000 there is no such increase because it is coming back some other way.

Then he said something about the air conditioning, wouldn't that come under the Public Utility Costs?

HON H J ZAMMITT:

No, Mr Chairman, this is maintenance of the air cool.

HON CHIEF MINISTER:

I have just been given some information and I do not want the House to be misled, it is impossible for the Minister to have all the details. Apparently, the tax is paid by the officers concerned and then it is repaid to them against the tax they pay here.

HON MAJOR R J PELIZA:

Coming down to Maintenance, Insurance of Manager's Residence, I know that perhaps it comes under Special Expenditure but we might kill two birds with one stone. Has the Manager now got a residence which is owned by the Government or is this paid on a monthly basis?

HON H J ZAMMITT:

Mr Chairman, at the last meeting of this House Members were asked to vote some £1,200 for the freehold and we purchased the property freehold, it is now Government property.

HON MAJOR R J PELIZA:

Could the Minister say how much it cost?

HON CHIEF MINISTER:

This was purchased some years ago at the time of Mr Serfaty for £19,000 or £21,000, we have now been given under the relevant legislation in England the option to buy the freehold for something like £1,200 and we are advised that the property is worth now over £50,000.

HON MAJOR R J PELIZA:

So it is very likely that the Government will buy it now as a freehold.

HON H J ZAMMITT:

No, we have done it already, Mr Chairman. We voted the money at the last meeting of the House.

HON MAJOR R J PELIZA:

I thought that the Chief Minister said that he had now been advised that he could get it as a freehold.

HON CHIEF MINISTER:

No, I said that because there is a law in England that gives leaseholders the right to buy the freehold we were given the opportunity to purchase the freehold. We came to this House, we asked for a Supplementary Appropriation for that amount and we purchased it.

Other Charges were agreed to.

Special Expenditure was agreed to.

MR CHAIRMAN:

We will now have a short recess.

The Committee recessed at 10.40 am.

The Committee resumed at 11.00 am.

Head 25, Trading Standards and Consumer Protection - Personal Emoluments were agreed to.

Other Charges were agreed to.

Special Expenditure was agreed to.

Head 26, Treasury - Personal Emoluments.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, before any questions are asked on

Personal Emoluments I wonder if I might inform the House, this is purely informative, that when the Estimates are finally printed, under the Establishment we shall show the staff at John Mackintosh Hall and the Gibraltar Broadcasting Corporation who are seconded from the Government Service to those institutions, if I may call them that. This does not mean that there will be any change in the Personal Emoluments because they are paid from the subventions. It is a question, in fact, of their pension rights being preserved and there is some doubt whether, if their post is not shown in the Establishment, their pension rights could be ensured. I personally think they would be but to avoid any doubt on this we are doing it this way. There is one Higher Executive Officer, an Assistant Librarian, three Clerical Officers, a Clerical Assistant and Typist at the John Mackintosh Hall, and a Senior Clerical Officer and a Recording Assistant at the Gibraltar Broadcasting Corporation, but there is no cost shown.

HON G T RESTAND:

Have all the Data Processors for the computer now been trained?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Computer Operators. There is a Senior Data Processor post and a Data Processor post, should be filled by early next month. The Selection Committee is sitting now. One has been selected and the Data Processor post is to be filled by Selection this week, I believe.

HON G T RESTAND:

What about the Computer Manager designate?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Computer Manager Designate post has been filled. What we are going to lack is a Computer Manager and a Computer Analyst, and there is a Board sitting in the United Kingdom on 5 May to select the Computer Manager for a two-year appointment and the Computer Analyst for the same period.

Personal Emoluments were agreed to.

Other Charges

HON A J HAYNES:

Could we have a breakdown on Item 15 Insurance of Government Properties?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I am grateful to the Honourable Member for raising this point because there in fact is no breakdown on properties, it will be a global insurance sum. The report which we have had on the value of Government properties and insurances shows that the total value of the Government's property is some £182m, made up of £124m. in housing stock and £58m. as non-domestic premises. The Report recommended that the insurance should be by the setting up of a captive insurance company and through re-insurance. We ourselves thought that it would be advisable to get a second opinion on this, as I informed the House in answer to a question. The second opinion has not yet arrived but I do understand that it may be possible for the Government to effect re-insurance without having to set up its own captive insurance company, and if that is so, of course, we would not set up a captive insurance company. In the circumstances, and with the agreement of this House, I would propose, Sir, that subhead 15, Insurance of Government Property, should have an 'R' against it, reserved, and I shall come back to the House when we have definitive plans for the insurance of Government properties.

HON P J ISOLA:

Does that item cover all Government properties or is it selective?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Yes, Mr Chairman, but it would not cover the value of internal assets within the properties.

HON A J HAYNES:

What advantage is there for Government by reinsuring direct rather than going through a captive insurance company? And if it is cheaper, would it be cheaper than £150,000?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

To set up a captive insurance company itself would set up administrative costs. There would be a saving on those. If we are able to negotiate with a leading insurance broker a re-insurance policy, the actual difference in cost of the re-insurance, there would be no difference in cost.

Other Charges were agreed to.

Subventions

HON P J ISOLA:

With regard to the contribution, Mr Chairman, to the Gibraltar Broadcasting Corporation and colour television, is there any particular reason why it still continues to be a separate heading to colour television?

HON CHIEF MINISTER:

I might remind the Hon Member that both the property and the setting up of colour television was on the basis of a payment over three or four years, and this is what is happening now. Very favourable terms were obtained for the payment of the equipment over a number of instalments.

HON P J ISOLA:

So the television one is only capital repayment?

HON CHIEF MINISTER:

Yes, Sir.

HON P J ISOLA:

Can I go to the Gibraltar Broadcasting Corporation itself. What progress has been made on bringing radio to the main building.

HON CHIEF MINISTER:

We have had supplementary provision here because of the difficulties that were found regarding the acoustics of radio at Mercury House. I think we voted £15,000 as supplementary estimates which was required, and in fact the other night when we went there we saw the work going on. The work is being done now because apparently there were difficulties in the sound-proofing and the acoustics of the radio studios and that is being done now. Once that is completed then radio and television will operate from Mercury House as was originally intended but was delayed because of these difficulties that were found in the course of construction.

HON G T RESTANO:

Have any improvements been seen with the air conditioning of Mercury House?

HON CHIEF MINISTER:

My latest information is that they were working hard at putting it right, if it had not yet been concluded, but they were working at it all last week and the week before.

HON G T RESTANO:

What sort of payment is being made to the sub-contractors?

HON CHIEF MINISTER:

I am afraid I do not know.

HON G T RESTANO:

Have they been paid either totally or partly?

HON CHIEF MINISTER:

Partly, yes. Partly. Under the contract I believe that some payments were made but I really do not know the details of that. With regard to the contribution towards the Gibraltar Regiment the figure provided last year was £16,000 but we have only had a claim for £12,000. The reason why the figure has gone up

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this year to £15,000 is because it includes a once-and-for-all grant of £2,000 which they have been after for some time in order to embellish their band with suitable helmets, which I am told they are going to look very elegant.

HON A J HAYNES:

The grant to the Gibraltar Museum. Why is this in effect going down for the Revised Estimate for 1981?

The Revised Estimate for 1980/81 is £30,000 the Estimates for 1981/82 is £29,000, why is this?

HON CHIEF MINISTER:

Less work will be carried out this year.

HON H J ZAMMITT:

I can probably add, Mr Chairman, that it may be recalled by some members that there was an additional large work carried out as regards the Gibraltar Historical Exhibition together with the Natural History, which was done in last year's Estimates.

HON CHIEF MINISTER:

Mr Chairman, I must make a correction, a mistake that I made earlier about the question of the supplementary that we had obtained for GBC in respect of radio. The fact is that we did not. The point is that it did come to Council of Ministers but by the time it came to Council of Ministers the Estimates were being prepared, the payments were not due, and in fact the increase in the subvention includes an item of £25,000 for that.

HON P J ISOLA:

Annual Grants-in-Aid. Could I ask, have new societies been introduced because there is an increase of £2,500, and if so which?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, there are no new societies, it is merely that the grants to certain societies have been increased. The RSPCA is up by £2,000 and the Gibraltar Society for the Prevention of Blindness has increased. I think that that is all, Sir.

Subventions was agreed to.

Special Expenditure was agreed to.

Head 27 - 1981 Pay Settlement

HON P J ISOLA:

Can I ask what is the percentage that has been allowed in this figure, or is it not related?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

We have allowed for 10% for  $\frac{1}{2}$  of the year, Sir.

Head 27 was agreed to.

Head 28 - Contribution to Contingencies Fund

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Perhaps, Mr Chairman, Sir, a word of explanation here might be a value to Honourable Members. For many years the Contingencies Fund has stood at £100,000. During the course of the period that I have been here I have found that on occasions I have been very tightly-up with the increases in the estimates to meet demands from departments for urgent and unforeseen expenditure, and for that reason it is proposed to increase the Contingencies Fund to £200,000. I do, of course, come back to the House with supplementary provision after granting a supplementary contingency.

Head 28 was agreed to.

Head 29 - Contributions to Funded Services

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move that the Draft Estimates be amended by the inclusion of £2,518,000 under a New Head of Expenditure, Head 29 - Contribution to Funded Services, with consequential amendments to the estimates. The sum of £2.518m is made up as follows:

Sub-head 1 - Electricity Undertaking Fund	£665,200
Sub-head 2 - Potable Water Service Fund	£450,000
Sub-head 3 - Housing Fund	<u>£1,402,800</u>
	<u>£2,518,000</u>

Mr Chairman, I beg to move.

Mr Chairman proposed the question in the terms of the Hon the Financial and Development Secretary's amendment.

HON P J ISOLA:

This, I presume, really gives effect to what the Chief Minister announced that we were going to subsidise the Funded Services to the extent of £2.5m.

HON CHIEF MINISTER:

Except for the areas in which we will help in respect of housing and water.

Mr Chairman then put the question which was resolved in the affirmative and the amendment was accordingly passed.

Head 29 - Contribution to Funded Services - was agreed to.

Improvement and Development Fund - Head 101, Housing

HON P J ISOLA:

Mr Chairman, this is expenditure, of course, we are looking at.

MR CHAIRMAN:

That is right, it is at page 99.

HON P J ISOLA:

Looking at Housing, am I right in saying that the amount left under Development Aid Fund on Housing is £681,972, and the balance would come from local funds?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Chairman. The actual figures, if Hon Members wish to look on page 94, which says Improvement and Development Fund receipts.

HON P J ISOLA:

So that I am right in saying that as far as Development Aid Funds generally are concerned, the balance of Development Aid for 1978/81 payable after this year, the Government proposes to spend £3.4m odd, will be just £334,812, that is the development aid position.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes.

HON W T SCOTT:

Mr Chairman, the question that I have to ask, in fact, deals with a number of sub-heads but it is a general question divided into two. I am sure the Government will correct me immediately if I am wrong, but if I can assume that sub-heads 2, 3, 4, 5, 7, 10 and 12 all deal with the modernisation programme, can we have a figure from the Government as to how many housing units....

HON CHIEF MINISTER:

That is partly modern and partly new, Tank Ramp. If you are looking at page 99.

HON W T SCOTT:

But Tank Ramp appears there as well, Mr Chairman.

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HON CHIEF MINISTER:

Yes, of course.

HON M K FEATHERSTONE:

The Hon Member might like to know a breakdown of the whole of the housing vote. Flat Bastion Road is 15 units; Lime Kiln Steps, the first part mentioned there is 14 units; Tank Ramp is 16 units, of which 8 are new and 8 are modernised; Housing modernisation is 18 units, Catalan Bay is around 12 units; I say around 12 units because we have recently been approached by the Catalan Bay Council that they want a slight change in the actual number of units that we had originally planned; Naval Hospital Hill is 11 units; St Jago's 26 units; Lime Kiln Steps Phase 1A, 15 units; St Joseph's 50 units; and Castle Ramp/Road to the Lines 26 units. I think you will find the total is 203 units of which 77 are modernisation.

HON W T SCOTT:

What about Road to the Lines in sub-head 7, did the Minister say anything, I didn't catch that, I am sorry.

HON M K FEATHERSTONE:

No, at the moment we are not quite sure exactly what that does take into account, the tender has not gone out yet.

HON A J HAYNES:

Has Government met its target of, I think it was 83 units, for this year?

HON M K FEATHERSTONE:

I beg your pardon.

HON A J HAYNES:

Has the Government met its target of units to be built for the year ending whenever the year was closed?

HON M K FEATHERSTONE:

This year. I think with the number that are finishing this year we will be if not on that figure, very, very close to it.

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HON A J HAYNES:

Mr Chairman, at the Ceremonial Opening speech the Chief Minister said "Within the coming financial year we hope to finalise the construction of 66 units and to commence work on a further 150 units for completion by 1982". Those figures are revised to 83 and 154. What I would like to know is whether we are on target and whether the first target date has been met by way of units?

HON M K FEATHERSTONE:

I make it that 82 will be finished this year.

HON A J HAYNES:

Can Government inform me whether they are within the targets as estimated in the Chief Minister's speech and then later on in subsequent questions.

When the answers to questions on how many units had been completed raised the figures. The figure of 203 doesn't tell you when they will be completed and whether these are an addition to the 150 estimated to be finished by 1982. I want to know whether the Government has been doing better than it estimated or whether there have been some alterations.

HON M K FEATHERSTONE:

I would say that the 203 units include the amount that has been mentioned before. There are some increases but it globally includes it, and this year 82 of them will become available.

HON A J HAYNES:

Are these 82 instead of 83?

HON M K FEATHERSTONE:

Yes, before April 1982.

HON A J HAYNES:

Mr Chairman, I believe there is some confusion.

HON CHIEF MINISTER:

I think the figures coincide, the figures mentioned in the first year and the second year are about the same.

HON A J HAYNES:

But does this mean that there has been a reduction, because as I said, the first estimate was 66 units to be completed by, I suppose, 31 March, 1981, and that 66 units was then raised to 83.....

MR CHAIRMAN:

You want to know whether those 83 have been completed by 31 March, 1981, is that right?

HON CHIEF MINISTER:

No, he wants the earlier figure and it is a smaller figure than the second one.

HON A J HAYNES:

Mr Chairman, if I can repeat the question. The initial estimate for 31 March, 1981, was 66 units and that was mentioned in February. Then that was revised to 83. Have either the 66 or the 83 been met?

HON M K FEATHERSTONE:

Not by March, 1981, no. They will be met by March, 1982.

HON A J HAYNES:

How many were met by 31 March, 1981?

HON CHIEF MINISTER:

If the Hon Member will bear with us we will give him the actual figures in a moment, if we can carry on and come back to it.

HON P J ISOLA:

Mr Chairman, I just want to get the housing figures right. On that page 99 we forget Varyl Begg because that is pitched roofs and the Tower Blocks, the rest of the housing vote, am I right from the projects mentioned there, from the word go which is, of course, last year, I presume when some of these started, to the end of all these projects, we will have 203 housing units of which 77 are modernisation, is that the position?

HON M K FEATHERSTONE:

That is right.

HON P J ISOLA:

In actual fact to achieve these 203 units of which 77 are modernisation we really have to go into 1982/83, because I notice St Joseph's scheme which is 50, from the figures before us, it looks as if half the project will be left over into 1982/83.

HON M K FEATHERSTONE:

That is correct.

HON W T SCOTT:

I am a little bit confused in that I am trying to establish, Mr Chairman, units on the modernisation programme. Can the Government give a figure on the estimated cost of the projects on the modernisation programme that we see under this Head here?

HON M K FEATHERSTONE:

It is very difficult to do so, Sir, for a number of reasons. The first reason is that until the actual modernisation work starts and the condition of the houses is fully known - it is of course assessed beforehand - but until they actually start work they don't know the full condition, it is not easy to say exactly what the cost is. Also in different areas the condition of the houses being modernised can vary very considerably so that you might get one area in which the modernisation is costing us, for example, in Lime Kiln Steps some 14 units are costing £292,000, that is about £20,000 per unit, whereas in Castle Ramp/Road to the Lines you have 26 units which are costing £670,000, that is more than £20,000 per unit. It does vary very considerably, and as I have said it is not until work actually starts and the conditions of the houses is fully assessed that you can get the final figure of what the modernisation is going to cost.

HON W T SCOTT:

Mr Chairman, I am grateful to the Honourable Minister, but judging from the figures we have Flat Bastion Road, in fact, runs at something in excess of £30,000 per unit to modernise.

HON M K FEATHERSTONE:

Flat Bastion Road is not for modernisation, Flat Bastion Road are new houses.

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HON W T SCOTT:

I beg your pardon. Then the last one, Castle Ramp/Road to the Lines, where we have something like £25,000. I think systematically over the last few months, when the Minister, in fact, has been telling us that one of the reasons, in fact, why Government continued with its modernisation scheme was because of the relevant difference that there is, tremendous difference there is, in building a new unit to modernising an old one, and I think the figure he has been using consistently is something like £40,000 to £45,000 for a new one and something in the nature of £15,000 for a modernised unit. But from the figures that we have here now, in fact, it is no longer £15,000, if we take the example of subhead 12, it is something like in excess of £25,000, which brings the difference between a modernised unit and a new unit far closer.

HON M K FEATHERSTONE:

I have mentioned the figure of £15,000, this was the earlier projections on Lime Kiln Steps and Tank Ramp about 18 months ago. Since then prices have risen, prices of actual new construction have also risen. For example, we constructed at Rosia Dale at a figure of somewhere around £25,000 whereas as you can see Joseph's is costing something like £40,000. There are also various other items which do make an increase in cost in certain areas and in particular in the Castle Ramp/Road to the Lines area the access is extremely difficult and this of course has put the cost up considerably, because to get materials there etc is not as easy as if you had a road on which you could take materials by lorry. Much of it has to be man-handled and that is putting the cost up as well.

HON W T SCOTT:

Yes, Mr Chairman, but I say it in relation in fact to what we have always had as our policy here, and that is that the question of modernisation in fact does not create new homes. We find that we are now approaching a situation where to modernise a home costs almost as much as to build a new one.

MR CHAIRMAN:

No, with due respect to the Honourable Member, the

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Minister has said, if the cost of modernisation has gone up so has the cost of building new flats gone up and that is the way you should compare facts.

HON W T SCOTT:

Yes, Mr Chairman... I give way to the Honourable Member.

HON M K FEATHERSTONE:

The highest figure at the moment for modernisation, which is Castle Ramp, and where, as I said, there are a lot of inherent difficulties, is about £25,000, whereas a new house on relatively virgin soil is costing about £40,000. If you were to take the Castle Ramp/Road to the Lines area and demolish the housing there and then build new housing then that new housing would cost perhaps £45,000 to £50,000 because you would have to put in the cost of demolition as well. Basically there is about a 50% saving in doing modernisation, and it is a waste really to tear down the shell of a building which is in a reasonably good condition simply to build a new structure.

HON W T SCOTT:

Yes, Mr Chairman, but as far as we are concerned, the deciding factor here is given the housing situation in Gibraltar in creating new homes, in increasing the housing stock.

MR CHAIRMAN:

Yes, but we are now going into principles.

HON W T SCOTT:

And in fact, Mr Chairman, in subhead 10, Lime Kiln Steps, that presumably is also a modernisation scheme in its totality?

HON M K FEATHERSTONE:

Yes, Sir. I think there are two or three new houses because there was one very old house which was not worth modernising and was completely demolished and a new house was built there.

HON W T SCOTT:

I see, and the figure per unit there reaches £36,000?

HON M K FEATHERSTONE:

Yes, that is because there are the new houses being built in it.

HON P J ISOLA:

The question of housing is a worrying thing. In that page the 1978/81 Development Programme will still, from what I can see, be running into 1982/83 in St. Joseph's, quite a big project of 50 units. The other project that will go into 1982/83 is the Catalan Bay housing project which, from the point of view of the general housing list may not help that much because it does not really go into the general pool, it stays in Catalan Bay, so we are literally with the only overspill of St. Joseph's. One would like to have some re-assurance from the Government that it has got sites for substantial new housing because otherwise I can see a big hiatus in the 1982/83 year, and that does not augur well for the people in the Housing list.

HON M K FEATHERSTONE:

As the Hon Member knows we hope to negotiate a new Development Aid Programme later this year, but we have new sites, we have the Gasworks area which can take in about 130 houses, we have the Engineer House which can take in between 40 and 50, we have an extension to Rosia Dale which will take in another 25 to 30, and there are other smaller areas also available.

HON J BOSSAND:

One thing that intrigues me is the fact that we seem to have moved away from high rise buildings to relatively low rise buildings. Is it because the Government feels that it has enough spare land available for the foreseeable future to meet the proposed developments without having to go into high rise buildings?

HON M K FEATHERSTONE:

I think the reason is two-fold, Sir. In the UK the move has been over recent years away from high rise buildings which seem to have a number of difficulties. The second

point is that a high rise building intrinsically is much more expensive since it needs steel frames, lifts, etc., and we have been recommended that we should work to the normal five-storey block of flats at the maximum.

HON MAJOR R J PELIZA:

Does that take account, Mr Chairman, of the amount of people on the Waiting List. I say this because one has to take into account the availability of ground to the possibility of housing that tremendous number of people which is 1,750.

HON H J ZAMMITT:

Could I remind the Honourable Member opposite. We have been talking glibly here about 1,750, but it does not mean, Sir, that we require that amount of houses. I have heard this being bandied around quite often during the session. What we require is an adjustment of our housing stock. There are a tremendous amount, possibly something like 50% of those 1,750, that are applicants because the scheme provides for applications; but they are mere transfers, people who want to change from one place to the other.

HON MAJOR R J PELIZA:

Could the Minister say then how many require new houses?

HON H J ZAMMITT:

There was a housing survey carried out some 2½ years ago we were told then about 400; I would dare estimate today that with 500 new housing and a redistribution of our housing stock there would not be a housing problem.

HON A J HAYNES:

Could I refer the Minister to Question 156 of 1980 which to a large extent deals with the point as to whether the target figures are that, but again Question 156 was further revised so that the final figure for March 1981 that I have given was 83. Will the Minister confirm that 83 units were completed by March 1981.

HON M K FEATHERSTONE:

I think I have already said I don't think 83 were done by March 1981.

HON A J HAYNES:

How many?

HON M K FEATHERSTONE:

I shall have to have notice and I will let him know in due course.

HON A J HAYNES:

And information for the 154 for the period '82? As I understood the statement made by the Hon the Chief Minister after saying the units that would be completed by 31 March has said "and to commence work on a further 150 units for completion by 1982." I take that to mean that the idea was to finish by 31 March 1982 a further 150 units.

HON M K FEATHERSTONE:

There is some slippage, it will not be completed as has already been said in the case of St Joseph's and Catalan Bay until 1983.

HON A J HAYNES:

Will the Minister give me the figure of units actually completed by 31 March 1981, and the new figure for completion by 31 March 1982?

HON M K FEATHERSTONE:

Yes, I will try and endeavour to do so.

Head 101 - Housing was agreed to.

Head 102 - Schools

HON P J ISOLA:

I thought the date for completion of the Girls' Comprehensive was March 1982. It looks from this that it will not be completed by March 1982. Can the Government tell us when is the projected date?

HON M K FEATHERSTONE:

It is hoped to complete early in the 1982/83 period so that it will be available for use in the September 1982 term.

Head 102 - Schools was agreed to.

Head 103 - Tourist Development

HON P J ISOLA:

The Airport Terminal, I am not clear, what is the expenditure that is being incurred because nothing has gone out, the contract has been awarded, I suppose, but £115,000, that is almost half the cost of the project.

HON M K FEATHERSTONE:

Yes, Sir, that is mainly the steel frame works and the carousel round-about.

HON P J ISOLA:

It is already in Gibraltar?

HON M K FEATHERSTONE:

If it is not already in Gibraltar, it has been paid for and it is on its way.

Head 103 - Tourist Development was agreed to.

Head 104 - Miscellaneous Projects

HON P J ISOLA:

I notice that the PWD Garage, the total cost of the project was going to be £674,000, which is rather more than was originally estimated, but can I ask on that what is left to spend money on now? Is this the demolition of the old one?

HON M K FEATHERSTONE:

No, Sir, it is mainly some bills which have not yet come in, or have come in and have not yet been cleared for payment, and they are going to be paid this year.

HON P J ISOLA:

The demolition of the old one, what does that come under?

HON M K FEATHERSTONE:

That is included as part of the cost of the Girls' Comprehensive School.

HON W T SCOTT:

Mr Chairman, on the winning of sand I see there is an extra £20,000. Can we have some details of that please? This is a new thing as far as we are concerned, that an extra £20,000 is required this year, when I think it was quite recently that we voted a considerable extra sum.

HON M K FEATHERSTONE:

If the Hon Member will look at b. that is a re-vote, this is part of that extra sum that was voted which has not yet been paid.

HON W T SCOTT:

Can I ask the Minister if he can tell this House if the project is now recovering sand to the extent and quantity that was originally envisaged?

HON M K FEATHERSTONE:

No, Sir, it is not yet doing so.

HON W T SCOTT:

Can the Minister say if he can give the House any indication as to when it will be able to do so?

HON M K FEATHERSTONE:

The latest indication I have from the consultants is that they are doing their utmost to get it working as soon as possible.

HON W T SCOTT:

So in fact we are really back to square one, Mr Chairman.

HON M K FEATHERSTONE:

Square one and a half, Sir.

HON P J ISOLA:

Mr Chairman, Vehicles and Plant. I notice it says it includes a revote of £27,897. That is quite a large revote. What is it in respect of?

HON M K FEATHERSTONE:

I think that was on vehicles that were ordered last year,

Sir. There are at times quite expensive vehicles that we do have. We have a woodworking machine which is £12,000 and a universal lathe which is £15,000.

HON G T RESTANO:

On Subhead 4, can the Government say what the £73,582 which have already been spent have been spent on?

HON M K FEATHERSTONE:

That is mainly the cost of the purchase of the buildings from the MOD.

HON P J ISOLA:

There is an advert today in the Chronicle for something to be done to the Casemates Hostel. Public Works is asking for tenders to carry out something to the Casemates, is it the same one?

HON M K FEATHERSTONE:

Yes, that is the same one. That is the improvement to the Moroccan Hostel accommodation, the social centre part of the hostel accommodation.

HON P J ISOLA:

Is that the £12,000 left?

HON M K FEATHERSTONE:

Yes, Sir.

HON W T SCOTT:

On Departmental Minor Works, we heard before from the Minister for Sport that there was some element of the swimming pool included within that. Can we have some details of what that £300,000 is for? Any other works involved?

HON M K FEATHERSTONE:

Yes, Sir, there is a considerably long list. I shall highlight some of the points in it. There is the repair to the Transit Shed of the North Mole which is about £100,000; construction of cubicles some £14,000; renovation of the roof to Devil's Tower Hostel £4,000; some £33,000 of various works to improve the Port; a whole host of items in the Medical Department but the main ones are the exterior painting of

£30,000; new boiler installation in the Operating Theatre; a number of items for Tourism and for the Secretariat; Treasury some £4,000; the Victoria Stadium some £5,000 for the refurbishing of the grandstands and £5,000 for the swimming pool; and Education some £10,000.

HON W T SCOTT:

I am much obliged, Mr Chairman. I think the Hon Minister said something about cubicles, £14,000?

HON M K FEATHERSTONE:

These are private bonded cubicles in which merchants who have an export trade can put their goods into without paying duty and if they re-export they can do so duty-free from there. These are in the actual Queen's Stores.

HON W T SCOTT:

This in fact will be in the Transit Shed itself?

HON M K FEATHERSTONE:

No, Sir, the present area is going to be a little enlarged. It is next door to where they are at the moment.

HON G T RESTANO:

Has the work at Both Worlds been carried out now?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I understand that the work has had to stop and they have not taken up the whole of the £200,000 loan which was offered, only £150,000.

HON G T RESTANO:

But they also had to contribute towards the project, did they not?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir, that is why the work had to stop. They had no more to contribute. They do not wish to do as much work as they were going to originally and so they are not taking up the whole of the loan. The loan is about £200,000 and they were going to contribute, if I remember correctly, something like £600,000 or more.

HON. G. T. RESTAND:

And how much did they end up contributing?

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

I cannot say off-hand. I can let the Hon. Member know if I can find out from the hotel, but of course we would need the PJD to check as far as the Government's loan is concerned, work up to the value of the amount stated has in fact been done.

HON. W. T. SCOTT:

On the loan to the Gibraltar Sandpits Lawn Tennis Club, I see here that £5,000 have already been given to them in the year 1980/81, but I have it on good authority that the Club itself did not accept this loan because of the terms of it. Will Government care to comment on that?

HON. H. J. ZAMMITT:

I have heard this too, that they did not take it up because we gave them a soft loan of 8%. They thought they could not afford that and they are not very pleased about the terms in which the £5,000 was being loaned. As far as I know it has not been returned, I know they were not very happy about it.

HON. W. T. SCOTT:

But according to the figures, Mr. Chairman, this has already been paid, my information is that it was never accepted.

HON. H. J. ZAMMITT:

Yes, I think they took a cheque away but they are not very happy about it. As I said I do not know whether in fact the money has been returned. I do not know. I know that they were not very happy about the terms but the cheque was paid to them.

HON. W. T. SCOTT:

If they are not happy is there any way in which the Club can be helped by having a second look at the terms of the loan?

HON. H. J. ZAMMITT:

Mr. Chairman, Sir, when they looked at the project

originally, of course, the project was something like £20,000 all in, and I understand that it was mainly being done by voluntary assistance amongst members of the Club and outside support by members themselves. I understand the price has escalated quite substantially and it is possibly considered beyond their means.

HON. W. T. SCOTT:

That has not answered my question, Mr. Chairman, whether the Government will be willing to have second thoughts.

HON. H. J. ZAMMITT:

If it is beyond their means they should come back to Government and probably tell us why they cannot accept the £5,000. Officially as far as I know I have not received a letter from them. I understand that they feel that the 8% levy is excessive but if they came back I am sure Government would look at this.

MR. CHAIRMAN:

In other words you are talking on suppositions, and as far as the Government is concerned there is a £5,000 commitment.

HON. W. T. SCOTT:

But Government is willing to reconsider the position if the Club comes back to them.

HON. H. J. ZAMMITT:

Well, Mr. Chairman, I do not know what conditions they are thinking of. We have not been told officially that they have or have not accepted the money. I really couldn't commit Government in any way.

Head 104 - Miscellaneous Projects was agreed to.

Head 105 - General Services

HON. P. J. ISOLA:

The resurfacing in the Upper Rock, what is the area expected to be resurfaced?

HON M K FEATHERSTONE:

As much of the roads on the Upper Rock that are in need of surfacing that can be done for the money. We will have to look at the whole of the Upper Rock and see which areas are most in need and do what the money provides for it. It doesn't mean the whole of the Upper Rock will be resurfaced.

HON P J ISOLA:

Does the Minister have an idea how much road surfacing costs per foot or per yard or per 100 yards, is it a constant figure?

HON M K FEATHERSTONE:

I think to do the whole of the Upper Rock would be something around £30,000 to £40,000.

HON P J ISOLA:

Can he tell us how much it costs to resurface roads in Gibraltar per yard or per foot or whatever?

HON M K FEATHERSTONE:

That varies very considerably, Sir, with the actual road that you are doing. The Upper Rock, of course, is more expensive since you have to take all the transport up there, but I don't know the figure offhand what it costs per square metre but I can find out for you.

HON A T LODDO:

Mr Chairman, on subhead 5 the revote for the Section of Road, Tank Ramp/Lower Castle Road. Is the Minister now in a position to say when Tank Ramp can be opened to vehicular traffic?

HON M K FEATHERSTONE:

This is the Hon Mr Loddo's second camel, Sir. The work at Tank Ramp should finish late May or early June and the road will be done. When I say the work I mean the building work, the road will be done as soon as possible after that and I think it may be open by, let us say, late July.

HON P J ISOLA:

Mr Chairman, I just want to ask. In Rosia Parade the one that is being done, the car park. Does Government normally do a car park which then results in less parking

spaces being available to the public than there were before? I am referring particularly to Rosia Parade where it seems to me the number of car spaces now has been reduced quite considerably to what it used to be. It may look nice but it is not functional.

HON M K FEATHERSTONE:

I think, Sir, it is functional. The parking before was very haphazard, it will now be orderly, but the idea of embellishing that area was not only provide a car park but also to have a reasonable promenade so that people can walk along and enjoy the view over Rosia Bay etc.

HON P J ISOLA:

I appreciate that, Mr Chairman, but I would have thought that it should more properly be described than as embellishment, because I thought Rosia Parade I presume is really a car park for people going to the beach, Camp Bay, it is not meant to be a car park for the few houses that are there. Therefore I would have thought that more emphasis should have been placed on the car park side of it than possibly the embellishment side because the number of car spaces there seem to be quite reduced.

HON M K FEATHERSTONE:

Sir, I take the Honourable Member's point that the word embellishment should have been perhaps added to this. The number of car spaces, I believe, is 100 which compares very favourably with what there was before, but of course one thing that would assist would be if a heavy trailer or two trailers and containers did not get into that car park, and we are going to ask the Police to see if something can be done to shift them away because they seem to have permanent residence in that area.

HON A J HAYNES:

Is there going to be a statue in Rosia Parade. I have heard some rumours that there was a statue to be commissioned of Lord Nelson. Can that be confirmed or denied?

HON M K FEATHERSTONE:

There has been suggestions that a statue of Nelson

might be placed there, we are trying to find a statue if that can be done and it will be done if it can be.

HON J T SCOTT:

Mr Chairman, sub-head 9, "Pumps - Tower Blocks."  
Can Government say what circumstances led to this expenditure of £30,000?

HON M K FEATHERSTONE:

Yes, Sir, if you remember I did make a statement, I think, last year in which I said that the upper floors of the Tower Blocks do not under certain conditions get an adequate supply of salt water and the answer was to provide tanks at the top and booster pumps and these are the pumps that are going to be provided. This should give an adequate supply at all times to the Tower Blocks.

Head 105 was agreed to.

Head 106 - Potable Water Service

HON G T RESTAND:

Is there a major overhaul proposed for the VTE Distiller? Is this what the £1,000 token vote is for?

HON M K FEATHERSTONE:

The £1,000?

HON G T RESTAND:

The £1,000 token for the VTE Distiller.

HON M K FEATHERSTONE:

No, that is an outstanding claim against Government by the contractor for something like £27,000 to £30,000. The claim is under dispute and we do not know if it is going to be finalised this year, but lest it should be finalised we have put in £1,000 as a token figure. This dispute has been going on for about 5 years.

Head 106 was agreed to.

Head 107 - Port Development

HON G T RESTAND:

Mr Chairman, I notice that on sub-head 2 - Unstuffing Shed, there is an (R) in brackets after the £120,000 estimated for this year. Can Government explain what that R means?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It means, reserved, Mr Chairman. Reserved until such time as the definitive decision has been taken as to where the Unstuffing Shed will be, until we have been out to tender and know the cost and until this House then approves any supplementary provision that may be required. It means, in fact, that we have got to come to the House and give more particulars before the money can be spent.

HON G T RESTAND:

Is this in fact going to be paid by local or ODA funds?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Local funds, Sir.

HON A J HAYNES:

Will the Minister give a breakdown for No 4 Camber - Improvements and Renovations? What improvements and renovations are there to be?

HON M K FEATHERSTONE:

I think this is an extension to the actual piers that are there, and also some form of slip being provided etc. I am not fully conversant with that.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, some work has already been done on the walk way on the jetty and additional funds now are being provided to complete this up to the corner of the walk way.

HON A J HAYNES:

Is some of this money for the walkway to be met by the yacht owners or the people berthed there?

HON A J CANEPA:

Government will certainly be paying but I think I ought to give notice that once there has been a transfer of the

waters of the Camber to the Government we intend to substantially increase the charges because they are very low and have remained unchanged for over two years.

HON A J HAYNES:

Will Government endeavour to fit more yachts into the Camber. I see that they have already taken the Governor's steps.

HON A J CANEPA:

I think there is a continuing programme at the moment which hasn't finished in respect of more moorings and it carries over into the financial year just starting.

HON A J HAYNES:

Is it proposed in the Improvements and Renovations to the Camber to provide facilities for yachts, to encourage the short-term yachts of a large size?

HON A J CANEPA:

No, this is not a commercial Marina. No, I think that any further development of that nature should be elsewhere, I don't think it should be at the Camber.

HON P J ISOLA:

The Varyl Begg - Seawall. Is that the wall that was giving trouble on the west side, is that what it is, to prop it up?

HON M K FEATHERSTONE:

No, Sir, I think there is a slight misprint here, there should also be the word or a little note for a revote. This was a wall to go on the south side of Varyl Begg so that there could be a continuation of the wall that is already there beside the Varyl Begg School which would provide mooring space for the boat owners. It was in last year's estimates and it is actually a revote.

Head 107 was agreed to.

MR CHAIRMAN:

Gentlemen, we will now recess until 3 o'clock this

afternoon when we will finish the Improvement and Development Fund and do the Third Reading of the Appropriation Bill and the Funded Services. I think that will take no more than about  $\frac{1}{4}$  of an hour this afternoon from which we will recess until tomorrow morning at 9 o'clock when we will commence on the Finance Bill.

So we will now recess until 3 o'clock this afternoon.

The Committee recessed at 12 noon.

The Committee resumed at 3.05 pm.

MR CHAIRMAN:

I will remind the House we are on the Improvement and Development Fund Head 108.

Head 108 - Telephone Service

HON G T RESTAND:

Mr Chairman, the IDD. Can the Minister say what the schedule for the implementation of the service will be?

HON DR R G VALARINO:

Mr Chairman, the only thing I can say is that everything is going according to schedule, the first shipment arrived last weekend, we have one of the engineers here and we have started installing the equipment already.

HON G T RESTAND:

I am glad to hear that, Mr Chairman. Can the Minister then say when the complete implementation will occur and when the people of Gibraltar will be able to begin to dial directly outside Gibraltar?

HON DR R G VALARINO:

Mr Chairman, as I said before I think I am quite right in saying that the complete installation will be in October 1982, and after a trial period the IDD will begin in December 1982. I think these were the facts which I presented at the time to the Honourable Member.

HON G T RESTAND:

Just one other point, Mr Chairman. The metering of local calls on this sub-head, can the Minister give us an indication of what the metering of local calls will cost the subscribers of Gibraltar?

HON DR R G VALARINO:

Mr Chairman, no firm decision has yet been taken as to how this is going to be accomplished, this will have to be studied and will have to be eventually brought to the House.

HON G T RESTAND:

Can the Minister say whether this is something which will be decided after the installation of the system or beforehand, is there no development thinking of the Government on this matter?

HON DR R G VALARINO:

Mr Chairman, presumably this will have to be decided in advance because obviously if the installation is going to be there and the metering equipment will be there, we shall have to decide on this matter in advance of the termination of the project.

HON G T RESTAND:

Does the Minister have a deadline as to how much in advance? It is October 1982 it is virtually 18 months from now. When will this decision be taken, can the Minister say that?

HON DR R G VALARINO:

Mr Chairman, this is hard to say but considering that this is still some way away I'm sure that some indication will be given in the next budget so that the Honourable Member can take due notice.

HON G T RESTAND:

Will the Minister or the Government be taking advice from anybody outside Government or will it be taking the decisions unilaterally?

HON DR R G VALARINO:

Mr Chairman, we are taking advice all the time and in

fact we shall be taking advice as well from the British Post Office.

HON G T RESTAND:

Are there any local consultations, Mr Chairman?

HON DR R G VALARINO:

I don't know what the Honourable Member means by local consultations, so far no local consultations have taken place and certainly whether any will take place in the future Government will consider this. I do not really know what the Honourable Member means by any consultations.

HON G T RESTAND:

I will make that quite clear, Mr Chairman. Does the Government intend to consult the Opposition, the Trade Unions, the Chamber of Commerce, perhaps, members of the public in any way before implementing any charges for local calls which have never been made in Gibraltar before?

HON DR R G VALARINO:

Mr Chairman, this will have to be considered by Government.

HON A J HAYNES:

Mr Chairman, it is nevertheless established Government policy that they will be metering local calls, am I right?

HON DR R G VALARINO:

Mr Chairman, if the Honourable Member will remember the Chief Minister stated that there would be metering of all local calls. In fact, once the meters are installed even local metering has got to take place.

HON A J HAYNES:

Will this affect the hiring charges?

HON DR R G VALARINO:

Yes, but the whole subject, the whole spectrum of it will have to be analysed by the department and by the advisors, so that obviously hiring charges will obviously be affected.

HON A J HAYNES:

Obviously. When they are affected I imagine they will be going down. What I am getting at, if it is Government's intention to charge for every local call made by telephone that the only part to be analysed is the unit measure for that meter, am I correct?

HON DR R G VALARINO:

That is correct, yes. As yet no decision has been taken on the subject so therefore I cannot tell the Honourable Member any more than what I have already stated.

HON A J HAYNES:

No decision has been taken on the matter but the metering of local calls will be designed to increase the revenue or will the Gibraltarians expect to have a similar phone bill to that in the past?

HON DR R G VALARINO:

No, certainly, Mr Chairman, the metering on local calls will be to make things more equitable and to make the telephone service as a whole payable.

HON G T RESTANO:

Mr Chairman, I cannot let this pass without making one comment; and that is, that I think it is terrible for a Government to purchase equipment of these dimensions, £1m., without knowing beforehand exactly what it is going to do when that equipment is in Gibraltar and how the Government is going to pay for it and how the Government is going to make the subscribers pay for it. This is something which I just cannot understand.

HON CHIEF MINISTER:

Mr Chairman, the same question has been put in a different manner by two Honourable Members about ten times and I think perhaps I might just make a general observation on this. Going into the direct dialling requires metering, metering of all telephones. In the past when the telephone accounts have shown that there seems to be only been one way in which that can be balanced and that is by increasing subscriptions. Metering of all telephones makes it possible to have a more equitable way of distributing the charge on

subscribers, those who use it more will pay more, as a general principle. The meters are not going to be installed for the purpose of metering local calls but all calls have to be metered because that is how the equipment works, it wouldn't work otherwise. And, therefore, the question of the charges, how many calls each subscriber may have free before other charges start, is bound to have to be looked at in the final analysis of the cost of the new equipment and the cost of running the new telephone exchange. Until that is done it would be frivolous, if not unnecessary, to start trying to assess what charges are going to be made in advance. It would be unfair. I think one thing that can be derived from the statement that I made about this and that is that in the overall system the deficits that have accrued should not accrue, there would be much more element of reasonable movement of revenue in the same way as those who call London more than those who don't. The point is that it is a fair and more equitable way of charging for the telephone service. It may not be necessary to increase subscriptions as often as has been done in the past and it may be possible to do so by the question of the metering. All that is a matter which is still in the future, the public will have plenty of time, plenty of notice. I have indicated this to the Minister and I say so myself, we may well be in a position to give an indication in next year's budget when we will have to settle the question of telephone charges, there is a deficit in the accounts which we are taking forward, we are not paying it off because we feel that the telephone service should pay for itself. By this time next year the installation will not be ready, it will not be ready until October for the functioning in December, so there is time. All we have been concerned about now is to get the whole of the equipment indoors. In fact as I was coming down to the House this afternoon, Mr Chairman, I have seen part of the machinery being taken into the Telephone Department. That is what is happening now. It is not reasonable to pretend now to have us say how many calls are going to be allowed free and how many are going to be charged for, when this is a matter of very fine mathematical calculations and finance inquiry in order to be fair. If we had done that now they would say, well, what about when you know the exact cost of the matter, this is really what it is all about. We cannot at this moment tell you how the tariffs are going to work. Whether we are going to say people can have 250 calls and pay much more for the subscription is impossible at this stage to say. Alright we may not be ready, we are not ready, we do not think we have to be ready for that, what we are ready for is to install the all important machinery.

HON G T RESTAND:

Mr Chairman, just a few points that I would like to take up on that rather long reply. The first one was that the Chief Minister said that in the past there had only been one possible solution when the Telephone Department ran into debts, shall we say, and that was to increase the rates. Well, I do not agree with that, I think that there is another solution and that is increasing the productivity of the department, and that could well have been looked into. The other thing was the Chief Minister said that the rates that we may well have to be paid by subscribers cannot be finalised now, cannot be realised now, until such time as the costs are known. Well I have just thought, the costs are known, Mr Chairman. Are the £1.009m. not envisaged as being the accurate figure of the installations, and if it is going to be the accurate figure then why cannot now the rates for local calls be determined.

MR CHAIRMAN:

In fairness I think it is clear, it is a matter of policy, it is Government who determines policy. I think they have given a straight answer. They have said, we have taken a decision on principle to instal meters and IDD or whatever it is called, the way in which we are going to regulate charges has not been decided yet. I think that that is a fair answer. Whether it should be done in another way is another matter.

HON G T RESTAND:

Mr Chairman, I think the Chief Minister qualified that by saying that the reason why they couldn't take a decision now was because the costs were not known, and I think that we are being asked today to vote for just one £1m and I think if it is going to be more, well let us know. If that is Government thinking. Then I will withdraw my question. But if it is considered that the project is going to cost £1.009m, if that is what they consider is going to cost, then I don't see why they cannot now start preparing and letting us know what the rates are going to be. If it is a policy decision of the Government not to let us know, not to let the people know until after that, well that is another matter, that is a Government policy decision. But certainly, not I would have thought, for the reasons given that the costs are unknown.

HON CHIEF MINISTER:

Mr Chairman, this is purely an incidental matter. The estimate is the best estimate we can find now, but I think experience shows in many aspects of these big works that at the end of the day areas which were not strictly covered by the draft details have had to be covered. What I was really saying is that we must wait until we finally know what the total cost will be at the end of the work. Of course we are giving an estimate now and of course the estimate is the best one that can be obtained, but in the overall thing you cannot make estimates of revenue until you know what your final expenditure is likely to be. This is very incidental and I think we are really taking it too far to say that there is another way in which we can reduce this by producing productivity. We agree on that, we are not talking about that, we are talking about when the rates for individual calls or when the rates for ordinary calls are going to be fixed. The answer is that at this stage it is too soon to say, and we will continue to give the same answer to whatever questions may be put.

HON G T RESTAND:

But, Mr Chairman, was there not a tender put out for this particular work?

MR CHAIRMAN:

Whatever else you have been told in so uncertain terms that they are not prepared to tell you how they are going to tackle this.

HON G T RESTAND:

But really, Mr Chairman, the figures are the estimated cost of the project, of £1m. odd. Was there not a tender for that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Chairman, there was, but there is a thing called cost price adjustment which arises when you get inflation, it is not a fixed price contract, it is one which will vary with inflation. It could be slightly higher it could be slightly lower.

HON A J HAYNES:

Mr Chairman, I cannot accept that Government cannot give

accurate figures as to the exact amount to be charged in a meter, but surely when Government considers the installation of the IDO and the metering of local calls and this comes as a result of every call, they must have been advised as to whether this could mean an increase in telephone subscriptions for the local telephone user or not. Is the local telephone user to expect an increase in his bill? Yes or no.

HON CHIEF MINISTER:

I think that will be known, I hope by this time next year in the budget. It may be that there is no need to increase rates of subscriptions, perhaps it might be possible to reduce them. It is very difficult at this stage to know, Mr Chairman. I am trying to be as clear and as helpful as possible but I sometimes feel that they don't want to understand reason in Government.

HON A B HAYNES:

Mr Chairman what I am getting at is that surely Government before making a decision of this nature would have considered the effects on the pockets of the telephone users on it. If it is something that they have committed themselves to the tune of £1m and the eventual bill for the consumer is going to be decided at the last minute when the £1m has already been spent and an irrevocable process has been set in motion isn't it rather too late to tell the user, I am afraid your telephone bills have to be increased. Surely we could have an indication, I am not asking for minute details, I am asking for an indication, is it fair to assume that phone bills overall will go up or not? And if Government hasn't made that decision before, they have been rather irresponsible in their deciding.

HON DR R G VALERINO:

Mr Chairman, I know a couple who may use the phone once or twice a week and therefore, their phone bills will automatically go down. If it is a business concern which uses the telephone 100 times a day, then their phone bills will go up. It will obviously depend on the types of persons using the particular instrument.

MR CHAIRMAN:

Yes, we seem to have gone as far as we are going to get on this one.

HON W T SCOTT:

If I might for clarification, members of the Government

might have smiles when I make my observations on that item, I am a little bit confused in fact, particularly after what the Honourable and Learned Chief Minister had to say, that was that he was consistently talking of number of calls made as distinct to number of perhaps time units consumed. Are we looking forward at least to a basic policy from Government if they are going to charge for number of units used or number of calls made. Can we at least extract that from them.

HON CHIEF MINISTER:

Of course I think it is a very good point that has been raised by the Honourable Member. One of the many complications that have to be looked into is whether it is fair to charge for a number of set calls because of people who start talking the whole morning and you want to make a call sometimes at home and you cannot get through because they are talking all the time, of course there is, I mean in London the same thing is happening. Sometimes you start charging an extra unit after so many minutes. It all depends how the thing develops. Of course it is a very good point to be made. These are all the matters that have to be looked into. We have not had the opportunity nor has it been necessary to do what we have to do anyhow which is to buy the equipment, to do that. The public utility services and all we are interested in is getting sufficient guide from the user of the service to pay for itself of the nationalised industry that it is.

HON W T SCOTT:

So perhaps, Mr Chairman, we might be looking at a situation where there might be a possibility of a certain minimum number of phone calls in addition to time units consumed.

HON MAJOR R J PÉLIÇA:

I think, Mr Chairman, what the average consumer is hoping is that the introduction of this direct dialling is not going to make his bill shoot up because then he will probably say, why didn't the Government do its home-work before introducing this in finding out whether in fact by and large the people of Gibraltar were paying much less before than they are going to pay now, and this is what I would like the Chief Minister to answer.

HON CHIEF MINISTER:

It may be that they are having the local calls too cheap to have them all included in, and maybe the people, as hon

been said before who use it more will have to pay more, and the people who use it less will have to pay less. It will be equitable.

HON J T RESTANO:

One last question on clarification. Will the Government confirm then that at the next budget session there will be a firm decision announced in this House.

HON CHIEF MINISTER:

No. I cannot give that undertaking. I have gone as far as I could when I said that an indication could well be given at the next budget because at the next budget the tariff will have to be fixed in anticipation of the introduction of the system because it will cover part of the next financial year. And I hope that by that time we will be able to do so. I cannot give an undertaking for it to be thrown at me that I was urged to make one and I wasn't ready for it. I am saying that in all probability that will be the case, unless there are - I will go a little further - unless there are very good reasons for not doing so that, in my view, is the right time.

HON P J ISOLA:

Mr Chairman, item 7 - Modernisation and Replacement of Private Branch Exchanges Equipment. I thought we had already voted special services on item 12 of Head 23, which says, "provides for the connection and replacement of private branch exchanges and carrier system." Are they to be read together or what?

HON DR R G VALARINO:

Mr Chairman, I don't honestly know. I think he was referring to the recurrent vote. Am I right. That is on the wages side for the replacement of both the new and old PBXs which are now obsolete by modern and efficient ones.

HON P J ISOLA:

I haven't seen this before that is why I am asking. Isn't it a bit strange to put part of the expenditure on the Improvement and Development Fund and part on the recurrent vote. It is not done in other cases, is it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It would be usual to put the cost of capital equipment within the I & D Fund, the cost of installing it, which is an on-going process, should be shown in the recurrent budget.

HON P J ISOLA:

Is that the case with the IDD as well then?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The provision at the moment, Sir, in the IDD is only for the actual installation by the overseas staff coming in to install it.

Head 108 - Telephone Service was agreed to

Head 109 - Public Lighting

HON P J ISOLA:

What sort of improvement are we getting here?

HON DR R G VALARINO:

Mr Chairman, general improvement Phase 1: Street Lighting Scheme. Tank Ramp area, includes Tank Ramp new Road and Steps; Castle Road from St Bernard's Hospital to Moorish Castle Estate, Lower Castle Road; Rosia Road area, includes Rosia Road South, as from Cumberland Building to Rosia Parade and Central Pavilion Road; Sandpits new Road; Lime Kiln Steps area includes Lime Kiln Steps, Devil's Gap, Lime Kiln Road and Lopez Ramp; Devil's Tower Road, includes from Sundial to old refuse incinerator; Lime Wall Road includes from Parish Hall to bottom of Smith Dorrien Avenue; Secretary's Lane area includes Secretary's Lane, Governor's Lane and Holy Trinity Cathedral Square; and item 2 of Head 109, General Improvement Phase II, Keightley Way tunnel and Waterport Viaduct area, which includes the Pilot House Road and east of the Viaduct Bridge.

HON W T SCOTT:

Mr Chairman, I notice that the road west of South Barracks has not been included within the general list that the Minister has given us and I think that a few months ago when I asked a question in this House I was led to believe that although it was not in the top

list of priority, that the Government would be happy to look at it. Can I have the Minister's comments on this.

HON DR R G VALARINO:

Yes, Mr Chairman, the department had a close look at the area and we certainly took note of what the Honourable Member said. But in fact the areas that I have enumerated we felt were more urgent and, therefore, we gave priority to this. But that does not mean that we do not take into account his comments, and as soon as we are able we shall deal with the appropriate area in question.

HON W T SCOTT:

And taking into account, Mr Chairman, surely of doing something about it which has not apparently been done in the list that the Minister has given us.

HON DR R G VALARINO:

Yes, Mr Chairman, I am afraid it has been impossible to put it into this year's estimates but we shall try and put it into next year's estimates.

HON W T SCOTT:

Why is this, Mr Chairman, because there are financial limitations or is there some other reason.

HON DR R G VALARINO:

No, Mr Chairman, because we have had other priorities which have been of a more important nature than what the Honourable opposite suggested at the meeting of the House.

HON W T SCOTT:

But does Government not realise, does it not accept that that part of the area of South Barracks west of the barracks is not in need of an improvement in lighting precisely to prevent any possible accident occurring?

HON DR R G VALARINO:

Mr Chairman, and so are all these other areas.

HON W T SCOTT:

I am not disputing that, Mr Chairman, what I am concerned

about is the area west of South Barracks.

HON DR R G VALARINO:

Yes, Mr Chairman, and I have said that although it has been impossible to include it in this year's estimates, consideration will be given to include it in next year's estimates. This is the programme we have for this year and certainly merits it and we have to go ahead with this programme but we shall take due notice of what the Honourable Member said, don't worry about that.

HON W T SCOTT:

With respect to the Honourable Minister this is exactly the reply that was given to us three months ago. Due note etc and yet nothing has been done. And now we are again what I said a few months ago: are we expecting something to happen before any measures, corrective measures, are taken to prevent an accident occurring.

HON DR R G VALARINO:

Mr Chairman, that would be a supposition on the Member's part. In fact I think that if we do not have corrective measures here we may well have an accident and in fact one of the areas listed here is Devil's Tower Road which I feel is of far more vital importance because of accidents there than the area mentioned by the Honourable Member.

HON W T SCOTT:

At no time, Mr Chairman, did I suggest that this area I am mentioning, South Barracks, should take priority or precedence over the areas that the Minister is mentioning, it is quite the contrary. What I am saying is that this area should be complementary to the list that the Minister has given us. And surely we should be looking at preventive measures rather than anything else.

HON DR R G VALARINO:

Mr Chairman, the Honourable Member is very forthright. Let me say I do not give any direct commitment to the Honourable Member but I will see what I can do.

Head 109 - Public Lighting was agreed to.

Item 113 - Electricity Service

HON G T RESTANG:

Mr Chairman, would the Minister give us an explanation of sub-head 2, a new project of \$63,500 on the Substation and Ancillary Works at the North Mole.

HON DR R G VALARINO:

Yes, Mr Chairman, this provides for an HT cable, switch-board and transformer, building conversion, MD cables and jointing material. Labour costs are as follows: Transfer and cable laying \$12,000; Rerouting existing cables, jointing etc \$3,000; therefore, the labour vote in that item is \$15,000.

HON G T RESTANG:

There must be technical reasons for this, Mr Chairman. I would just like to know why, if we are to have a new Power Station on No 5 jetty which is within the Port, why is it necessary to have a substation at the North Mole. What is the reason for it?

HON DR R G VALARINO:

Mr Chairman, we need a substation at the North Mole because the present substation at the North Mole is run by the MCD and we are taking over this from the MCD.

HON G T RESTANG:

My question was, if we are to have as we are to have a complete power station for No 5, what is the purpose of having a substation just 100 yards down the road.

HON DR R G VALARINO:

Mr Chairman, Because the electricity goes through the substation and then is distributed by a cable, this is the normal procedure.

HON G T RESTANG:

My question is precisely that: if we are going to have a full power station 100 yards away, why is it necessary to have a distribution centre, a substation 100 yards away.

HON DR R G VALARINO:

Mr Chairman, this is the normal practice. We have 16

substations throughout Gibraltar. It is the normal practice to produce the electricity and distribute it through the substations. In fact I may be wrong but there is a substation within a very few yards of the Generating Station itself, just outside the Generating Station, therefore, these substations are essential in distributing the power to different areas.

HON A J HAYNES:

The Power Station No. 5 Jetty. Does the Port Feasibility Study say anything on the siting of this Generating Station?

HON A J CANEPA:

What is the Honourable Member asking, do they say whether they agree or whether they disagree, is that what he is saying, whether it should be there or whether it shouldn't.

HON A J HAYNES:

Could then the Hon Member tell us what it says about the Generating Station.

HON A J CANEPA:

I cannot recall whether they comment on the advisability or otherwise of having the Power Station there.

When I came into Government in February 1980 and I took over responsibility for the Port and for Economic Development, at the very first meeting of the Forward Planning Committee we took a decision that the Power Station was going to go on No. 5 Jetty. And there it is going to go. And we have handed over the Jetty three weeks before the consultants were ready to take over.

HON MAJOR R J PELIZA:

So even if their decisions were wrong, and the advice of the people to whom we have paid a lot of money for this is that we shouldn't have it, the Minister believes that because the decision was taken, even if it is wrong, they still have to go ahead with it.

HON A J CANEPA:

One thing we were not prepared to do, Mr Chairman, is to give the Opposition further reasons to lambaste the Government for power cuts over prolonged periods. We are going to get a power station built as soon as we can and then Honourable Members opposite will not have a political weapon to hit us with.

HON MAJOR R J PELIZA:

Even if the people have to pay through their nose for a big mistake?

HON A J HAYNES:

Sir, there were reasons to lambaste the Government in the past for power cuts. What I am getting at, apart from what the Minister said that the Port Study seems to have had no bearing on the positioning of the power station on the site it is, can the Minister say anything more on the subject vis-a-vis the Port Feasibility Study.

HON A J CANEPA:

What I will say on the subject is this, that I would like many of the Smart Alexs opposite to tell the people of Gibraltar where they think a new Power Station can be situated having regard to the lack of land in Gibraltar.

HON MAJOR R J PELIZA:

Perhaps if the Honourable Minister would let us be in Government perhaps we could tell them.

HON CHIEF MINISTER:

It is the people who do not let them be in Government.

MR CHAIRMAN:

Order, order.

HON G T RESTAND:

The reasons given by the Minister for Economic Development for taking the decision, which is that the Opposition was lambasting then is perhaps the wrong decision, surely his reasons should have been that there should not be any more power cuts in Gibraltar, not just

because the Opposition was lambasting the Government, that surely is a most cynical remark.

HON A J CANEPA:

If Honourable Members opposite wish the Government to make available to them the Port Feasibility Study they had better make up their minds whether they are going to honour certain pre-determined parameters, because I am quite willing to put up with a situation where we do not make the Port Study available to Honourable Members opposite, and between now and the next elections and the one after they can cry to high heaven for this as for the PCR report the Government has not made available.

HON G T RESTAND:

Which has resulted in power cuts.

HON A J CANEPA:

Because if they think that as a result of getting that report made available they are going to make capital, political capital, out of that they are very mistaken.

HON A J HAYNES:

I do not think that the Government should be so confident about winning the next election, and as to the power they will have or not over those reports....

HON A J CANEPA:

It is not a question of power.....

HON A J HAYNES:

The point I am concerned with the Port Feasibility Study was to discover whether or not they had any comments to make on the pollutant elements of the new Generating Station.

HON A J CANEPA:

No, Sir.

HON A J HAYNES:

Is there any fear in Government benches, even if there isn't a Port Feasibility Study, for the people at Varyl Begg who may well be subjected to aerial pollution. I know the Minister isn't familiar with the term.....

MR CHAIRMAN:

Right let us have an answer to that.

HON A J HAYNES:

It is a genuine worry which I hold.

HON DR R G VALARINO:

Mr Chairman, that has been gone into deeply and irrespective of the Port Feasibility Study I can assure the Honourable Member that every consideration has been given towards this. Every consideration is being given to this very grave question that the Honourable Member has quite rightly brought up.

HON A J HAYNES:

Mr Chairman, on a point of clarification, and I would support this on my own bat, and I am sure my friends will agree on that, is it, therefore, Government's policy to make every effort to avoid aural pollution emanating from the new Generating Station.

HON DR R G VALARINO:

Mr Chairman, I will say that it is Government's intention, every intention, to avoid aural pollution in this area.

HON F J ISOLA:

Mr Chairman, the Power Station at No 5 Jetty is of course a very considerable capital investment for Gibraltar. And certainly I would like to be re-assured that Preece, Cardew and Rider, who I am sure the Government is paying quite handsomely to keep consulting them in all their problems and they seem to have very many where power is concerned, and also the Port Feasibility Study, which has been made at quite a considerable cost, to the tax payer I think it is about £88,000, I would certainly like to receive reassurances from the Government side that both the consultants, Preece, Cardew and Rider and the gentlemen who did the Port Feasibility Study, are all quite happy that the capital project is in the right place in the right site.

May I say this Mr Chairman what has put me in doubt about this is the rather irate reaction we have had from the Minister for Economic Development to questions in this direction. I don't think it is a question of trying to make political capital or anything else, I think it is a question of this side of the House wanting to be reassured that the Power Station is being

properly sited.

With regard to the remarks that the Minister for Economic Development has made that the Opposition had better watch their P's and Q's if they are going to be supplied with the Port Feasibility Study, my answer to that must be, Mr Chairman, that the Opposition can only accept from the Government reasonable constraints on the sensitive areas which the Minister has mentioned but what we cannot start doing is to be treated like school children and told: as you may find something there that suits your political or whatever it is, unless you are going to give us assurances you will be treated like naughty boys and we will not have it. I hope that is not the intention behind the Minister for Economic Development because this reports costs £88,000, the reasons we ask that we should have it and see it is because it is meant to take development in the Port in the 21st century or the end of the 20th century, and I think that as large a section of the elected representatives of the people should be allowed to see this report. Certainly I would welcome some assurances on this from the Chief Minister.

HON A J CANEPA:

I will give them, Mr Chairman, myself. I hope, Mr Chairman, that we could agree, as reasonably intelligent individuals, that we are here to look after the welfare of the people of Gibraltar generally and not merely to make political capital out of a certain situation. I think we are all agreed that to have continuing powercuts is highly undesirable, and I think that we are all agreed that to be looking around for sites which we all know are just not available for another year for 18 months for two years, is not going to do anybody in Gibraltar any good. I hope we are agreed on those lines. Now against that background the Government had to take a decision as to where the power station was going to be sited. As far as PCR are concerned, I think they are perfectly happy, they are delighted, that it is going there on No. 5 Jetty. As far as I am personally concerned I would have preferred, as Minister for the Port, that it would have been possible to site it elsewhere and not within the Port. This is natural, this makes sense, but we have got constraints. Therefore, as far as the Port consultants are concerned, the Honourable Member is asking, are they happy: well, let me put it this way. They are not unhappy, but I am sure, as I feel, they would have been happier that it should have been possible to site it elsewhere.

You may not know, the Honourable Member may be surprised because they do not express an opinion, and I will tell him why they do not express an opinion, because there are certain historical facts that you have got to put up with and they have to put up with, and the first fact was that the Government had taken a decision that the Power Station was going to be there, so they have to live with that fact of life. And, therefore, they have accommodated themselves in the report to that reality, just as they have to accommodate themselves to the fact that the Ice Box is there, and that the Flying Angel Club is there. I would like to see the Flying Angel Club out of the Port, I would rather not see every Sunday people driving up to the Port, but it is a fact of life because it is something that we had to do historically when the frontier closed, we had to continue to allow people to have a longer spin around the Rock to be able to go to the North Mole. But it will have to end. The time will come when we have to say, no more. Now, this is the problem.

As regards making the report available, I repeat what I said. Already without Ministers having sat down to discuss the report I have made a fairly detailed statement on the matter. I accept that the Opposition have more than a legitimate interest having regard to the fact that they are the alternative Government, and that they may think that over the next 10 or 20 years they will find themselves in Government, I really think it is for the good of Gibraltar, for the good of forward planning that they should know what there is in the report. And against that background I would not be expected to be questioned unduly on a matter which in any case is not going to change our thinking. As soon as we are in a position to do so the report, I hope very much, we will be able to make it available to the Opposition, perhaps on a confidential basis, because there are very many sensitive areas in it.

HON P J ISOLA:

Mr Chairman, I thank the Minister for that. I hope he understands that if we are to have it we should have it soon because otherwise it is impossible to avoid asking questions when large sums of money are being voted. It is impossible not to ask questions about what the Port Feasibility Study says because otherwise it would have no relevance.

HON A J CANEVA:

Mr Chairman, without commitment, the Forward Planning Committee hopes to consider the report on Monday afternoon, I hope during the course of May or early June to take the matter to Council of Ministers, I very much hope, and I hope that Mr Rortano, if I am not able to meet the deadline will not be asking me why I did not do so, I very much hope that before the House meets again for the last meeting before the summer, I hope that we will be in a position to take a decision on that matter, if not shortly after that. We are only talking at the moment of one meeting but I would say that certainly before the House resumes after the summer recess I very much hope that we will have taken a decision on the matter and find that we are able to make it available to the Opposition.

HON P J ISOLA:

May I express the pious hope that perhaps at the same time as they let us have the Port Feasibility Report they will let us have the Preece, Cardew and Rider Report and then we can have a complete picture.

HON W T SCOTT:

Mr Chairman, I would like to ask for clarification, if nothing else, on the same subhead, the power station at No 5 jetty, and I think over the last few months Government has told us and the public at large that it is their intention to extend No 5 Jetty Power Station to such an extent as to perhaps phase out North and South Kings Bastion, and I am sure I will be interrupted immediately if I am wrong, and I'll give way to this. But on that, has any regard been taken to perhaps an element not contained within the power station itself which will bring extra costs to the Government and hence to the people of Gibraltar, and that is on the cable distribution system, whether switchgear is going to be changed from one to the other.

HON DR R G VALARINO:

Mr Chairman, I would like to answer that question, because it is a very interesting question. Initially the Power Station was supposed to be sited at Varyl Begg and all the distributions systems tend to go towards that end of the Rock. The siting of the Generating Station at No. 5 jetty therefore is ideal for us because all the cables go in that direction and it is a simple enough

procedure. This is very pertinent to one of the reasons why No 5 jetty was chosen on the site. The other thing is that when the two engines are commissioned it won't be both the South and North station, as the Honourable Member has said, it will be the South station which will be closed down: the North Station will be shut down as further engines are added to the new station at No. 5 jetty.

HON W T SCOTT:

Yes, Mr Chairman, but has any consideration been given to the \$7.14m, being asked for under subhead 6 on the new cable distribution necessary other than a link which I understand will be between No 5 jetty station and King's Bastion, similar to the link between King's Bastion and the MCD Generating Station in the Dockyard. I am talking about the extension of the HT ring.

HON DR R G VALARINO:

Yes, Mr Chairman, consideration has been given to this, apart from the small link necessary and one of the reasons of the North Male Substation is to permit this link to the King's Bastion Generating Station. But let me say that if we had decided to put the Generating Station anywhere else the cost in cables etc would have been prohibitive.

HON W T SCOTT:

I am not disputing the fact that No 5 Generating Station is going to be placed somewhere else, all I am saying is whether due regard has been taken of the extra cost of the cable laying element on No 5 Generating Station.

HON DR R G VALARINO:

Yes, Mr Chairman, due regard has been given.

HON G T RESTAND:

Will there be any consequential extra costs to the Power Station other than the \$7.14m? For example with the skid mounted generators we were told that it would cost so much, and then there were consequential costs to the installation and so on. Will there be any consequential expenditure of any source other than that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, the contract for the power station, unlike that for the IDO, is a fixed price contract. So that there

should be no escalation in cost because of inflation. There may be slight additional cost, for example we recently paid some £15,000 for site preparation which is not included in the figure here, but there may be other minor costs that might arise during the course of the construction. But there will be no major element of cost that arises.

HON W T SCOTT:

Mr Chairman, one other question if I may. I would like to ask the Government to inform the House on No. 5 Jetty Power Station, and I think that when this was first talked about in the House Government said that there would be provision made within that station for any excess heat to be used up by a distiller. I think we have all been too concerned with the station itself and the Government has not really come up amplifying their original statement.

HON DR R G VALARINO:

There is provision in the Development Programme to utilise the steam available when the engines are running to aid water distillation eventually.

HON W T SCOTT:

Are we to look forward to, Mr Chairman, judging from the Honourable Minister's reply itself, that perhaps the cost of running the nearest distiller to that station, the VTE distiller, will come down in so far as power generation within that distiller is concerned?

HON M K FEATHERSTONE:

In the provision for the power station there is provision for a boiler to give waste heat to whatever distillers are available in that area. Initially it will be to feed the distiller and the costs should drop quite considerably.

HON P J ISOLA:

One last question. I notice major repair to engine No. 11; they have come to an end according to the vote, we voted \$92,000 last year, but there is nothing for 1981-82. Is engine No 11 operational now?

HON DR R G VALARINO:

The commissioning engineer will arrive towards the beginning of May to commission engine No.11.

HON P J ISOLA:

So there is no more money being spent on it, is there?  
Is that the position?

HON DR R G VALARINO:

Mr Chairman, very little.

Head 110 - Electricity Service - was agreed to.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman I beg to move that Part I of the Schedule in the Appropriation (1981-82) Bill, 1981, be amended as follows:-

- (1) Add new Head 29 - Contribution to Funded Services £2,518,000; and
- (2) Delete £35,130,900 from the total and substitute £37,648,900.

Mr Chairman proposed the question.

HON P J ISOLA:

Mr Chairman we are voting in favour but you will recall the reservation we had on the special charges.

MR CHAIRMAN:

That is recorded, most certainly.

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

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman I beg to move that Clause 2 be amended by deleting the words "thirty-five million one hundred and thirty thousand nine hundred pounds" and substituting the words "thirty-seven million six hundred and forty-eight thousand nine hundred pounds".

Mr Chairman then put the question which was resolved in the affirmative and Clause 2 as amended stood part of the Bill.

Clause 3 was agreed to and stood part of the Bill.

Clause 4.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman I beg to move that the words "twenty-five million one hundred and thirty thousand nine hundred pounds" appearing in subparagraph (1) be deleted and the following words substituted therefor "thirty-seven million, six hundred and forty eight thousand nine hundred pounds".

Mr Chairman then put the question which was resolved in the affirmative and Clause 4 was agreed to and stood part of the Bill.

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

The Long Title.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I beg to move that the words "Fifty million seven hundred and seventy-five thousand nine hundred and forty-two pounds" be deleted and the following words be substituted therefor "fifty-three million two hundred and ninety-three thousand nine hundred and forty-two pounds".

Mr Chairman then put the question which was resolved in the affirmative and The Long Title was agreed to and stood part of the Bill.

The House resumed.

### THIRD READING.

#### HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to report that the Appropriation (1981-82) Bill, 1981, has been considered in Committee and agreed to with amendments and I now move that it be read a third time and passed.

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

#### HON M K FEATHERSTONE:

Mr Speaker, may I have your leave to make a statement on the refuse-collection situation which I promised on Friday I would give.

#### MR SPEAKER:

Most certainly.

#### HON M K FEATHERSTONE:

Sir, Honourable Members should appreciate that in the collection of refuse there are two different facets: there is the first facet which is a statutory obligation on the Government, and that is to pick up domestic refuse, and domestic refuse, Sir, is picked up by a certain number of men who are divided up into some 7 squads to cover the whole of the town. Each squad is made up of a lorry with its driver and three to five men. Now, Sir, some years ago it was suggested to the squads that apart from the domestic refuse they should pick up a certain measure of trade refuse, and for picking up this amount of trade refuse a productivity agreement was offered. This was accepted by the men who obtained a productivity agreement and at that time they said, and it was the men's own feeling, that every member of the squad should get the productivity agreement, this including the driver of the lorry. Recently these refuse collectors put in a claim for a number of other points they felt they should have,

including a seven-day-week, etc. Government resisted these claims but Government was amenable to re-negotiating the productivity agreement and this productivity agreement was re-negotiated under which every member of the squad would get £13 extra a week as a productivity deal and they were to pick up every day from traders shop up to 8 boxes of cardboard and up to 5 boxes of bottles. This started to work satisfactorily, Sir.

Over the last three or four years a new facet has come up in refuse collection, partly new and partly not so new. The PWD always had a service by which they were willing to pick up any persons' refuse from a house such as old furniture, old beds etc, if they were asked to do so by telephone. But over the last few years traders in particular have started putting out their refuse into streets at certain street corners, and because this was creating a nuisance Public Works started up a service to not only pick up those cases where householders had telephoned for refuse to be picked up, but they started picking up from these streets corners as well. And just recently, following the increase awarded to the refuse collectors, the drivers of the lorries that carry out these collection from street corner said, the refuse collection drivers are getting £13 extra productivity a week and we want the same. Government felt that there was no justification whatsoever for this since they were doing no extra productivity at all, they were getting their normal productivity bonus of £5 a week and Government resisted this claim. The first stage of the action was that the drivers said that their lorries should not be loaded higher than the level of the tray although there was provision for a greater measure of loading up to a wirecaging that had been put round the lorry. But some two weeks ago the drivers said that they were going to black these refuse collection lorries and they would not drive them at all, and this meant that the service had to be discontinued.

The drivers on the extra refuse lorries number some 18 people and they work on a roster system. We usually have two lorries and at the most three lorries per week doing this so that it meant that one driver, two drivers or three drivers were doing work on this type of lorry on an average once every six weeks. Because they did not do this work which entailed a measure of overtime it did mean that they were losing some overtime, but since it only occurred once every six weeks it did not really affect them to a very big extent. At the same time with

these lorries being blacked the men who do the actual physical picking up and loading of the lorries were to some extent unable to do the work that they are normally detailed to do and what they had been doing to some extent in the meantime is at least going round seeing where the accumulations are, tidying them up as neatly as possible and in certain instances putting some of the accumulated rubbish into black bags. That is why it appears that household refuse has been put on some of these piles because black bags are visible, but as I understand it in the majority of instances these black bags have been as a result of the work done by the actual gang themselves in filling up black bags with some of the accumulated rubbish. For example at the top of Bell Lane there have been a lot of old flowers thrown away and these have been put into the black bags.

Now the whole point, Sir, is that basically none of these accumulations should ever have occurred. They are basically against the law because the law does say that it is illegal to deposit rubbish on the public highway. The public has been requested on several occasions, whilst this industrial trouble is on, not to put anything on the public highway as such and they are encouraged to take it down to the Refuse Destructor where it will be collected from them. We have told traders - and I would mention it again - that if the traders put out up to 3 boxes of cardboard and up to 5 boxes of bottles, before approximately 9.00 am which is the latest time the refuse collectors go round, and if they put it outside their establishments and not on the habitual accumulation area, then these boxes will be picked up by the refuse collectors. So that if the traders put their stuff out early they will have most of their stuff taken away for them.

We have tried to negotiate with the lorry drivers and we have offered them just recently quite a reasonable solution at no extra cost to Government under which they would not work anything more than they have been doing up to the moment, but unfortunately this has been turned down. The position now stands that since it is the prerogative of Government what measure of overtime may be given, all the drivers on this roster system will be informed that they will finish their normal work at 5 o'clock in the evening and no overtime at all will be available to them. This will perhaps affect their pockets, may make them think again and encourage them to come back to the negotiating table fairly soon.

In the meantime, Sir, I am afraid that we have to regret that the accumulations at these three corner points will remain since there are no lorries available to pick them up. We can only hope that the public will cooperate as much as possible, firstly, by not depositing anything further on these street corners; secondly, by taking to the destructor any refuse they have where it will be accepted; and, thirdly, that traders who legitimately can put out the amounts that I have said, do put it out outside their shops early in the morning and not on these habitual dumping areas. That is as far as the position is at the moment. Thank you Sir.

HON P J ISOLA:

Mr Speaker, may I thank the Minister for the very full statement he has given. I think now the public will know a lot more about the dispute than they did before he made the statement, and I think it enables people to understand and certainly on this side of the House we wish him well in his negotiations, but at the same time we hope the public will take heed of what the Minister has said in relation to the depositing of refuse and so forth.

The only question which seems to be unanswered in the statement is, are these rubbish piles becoming health hazards, and if they are, is there nothing the Government can do to obviate them.

HON J B PEREZ:

Perhaps I could help out on that. I would like to say that the Health Department is spraying all the accumulations in order to try and avoid the accumulations becoming dangerous to health, we are in fact inspecting the accumulation on a daily basis and spraying them.

HON CHIEF MINISTER:

I suggest we now recess.

MR SPEAKER:

Yes, I was going to say that. We will now recess until tomorrow morning at 9 o'clock when we will commence on the Finance Bill.

The House recessed at 4.15 p.m.

TUESDAY 28TH APRIL, 1981.

The House resumed at 9.15 a.m.

MR SPEAKER:

Well, gentlemen, I will remind the House that yesterday we finished with the Appropriation Bill and we will now start with the Finance Bill.

#### SUSPENSION OF STANDING ORDER.

The Honourable the Financial and Development Secretary moved the suspension of Standing Order No.29 in respect of the Finance Bill, 1981.

This was agreed to.

#### THE FINANCE ORDINANCE, 1981

HONOURABLE FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Estate Duties Ordinance (Chapter 52), the Gaming Tax Ordinance, the Imports and Exports Ordinance (Chapter 75), the Income Tax Ordinance (Chapter 76) and the Public Health Ordinance (Chapter 131), and generally for the financial policies of the Government, be read a first time.

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

The Bill was read a first time.

#### SECOND READING.

HONOURABLE FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill be read a second time. The Bill incorporates legislative proposals for fiscal changes in 1981-82, and also seeks to give effect to the increases in the potable water tariffs to which the Chief Minister referred in his speech during the second reading of the Appropriation Bill. The Bill also provides that rate increases consequent on the proposed 20% increase in rents should be deferred for one year until the 1st April 1983.

On the basis of current rates, taxes, duties and charges, the Government's total estimated revenue for the current financial year is \$45,151,500. After taking account of the expenditure authorised on the recurrent budget by the Appropriation (1981-82) Ordinance 1981, including budgetary contributions totalling \$2.518m for the Electricity Undertaking, Potable Water Service and Housing Funds, the year would end with an estimated surplus on the recurrent budget of some \$2.63m, which would bring the projected Consolidated Fund Balance on the 31st March 1982 to slightly over \$11.29m.

Mr. Speaker, in his speech on the Appropriation Bill, the Honourable and Learned Chief Minister announced the Government's intention to afford some relief by reducing the level of personal income tax. During the course of the last financial year a working group of ministers and senior officials studied the Income Tax Ordinance in depth, reviewing all its provisions, not merely those relating to personal income tax. In the course of this study a total of some twenty options were considered and the likely revenue and income distribution effects were put through a computer. As an outcome of the study, the Government proposes an increase in personal allowances and a broadening of tax bands. The effect will be to move from higher to lower marginal rates of tax some 1,500 tax payers and the average reduction in tax for married couples is of the order of 13-15%. Tables will be circulated together with a copy of this speech detailing the effects of the proposals on the net income of tax payers. I would emphasise that during the course of the study other fiscal aspects were touched on which will require further and more detailed study of their likely effects.

At best estimate the total minimum cost in a full year of the proposed changes in personal income tax is \$2.25m and \$1.7m in 1981-82. This estimate is derived from a sample survey of some 8% of Gibraltar's PAYE tax payers which was processed by computer. The income data was based on 1979-80 incomes updated to take account of the 1980 pay settlements. The margin of statistical error which is present in any sample is therefore increased.

I will now give details of the tax relief measures which will take effect from 1st July 1981:-

- The single person's allowance will be increased by \$100 from \$750 to \$850 and the deduction for a wife will be similarly increased. The deduction for a married couple will, therefore, be \$1,700;
- The deduction which may be claimed on a wife's earned income will be similarly increased to \$850;
- The allowance for a first child will be increased from \$250 to \$300;
- For persons claiming a deduction for a dependent relative the income limitation is consequentially increased from \$750 to \$850. If a dependent relative is in receipt of an income in excess of \$700 a year, the deduction which can be claimed is reduced by the amount of the excess.
- The new bands and rates of income tax are to be as follows :-

For the first £700 of taxable income	- 20%
For the next £3,000 of taxable income	- 30%
For the next £3,000 of taxable income	- 35%
For the next £2,500 of taxable income	- 40%
For the next £2,500 of taxable income	- 45%
Rest	- 50%

- Wound and disability pensions granted to members of HM Forces or of a recognised national defence organisation, injured as a result of action by the Queen's enemies are already exempt from tax. The exemption will in future apply to pensions paid to the widows of members of the Forces or national defence organisations who were killed by or died of injuries as a result of action by the Queen's enemies;
- The limit on the amount of interest on deposits in the Government Savings Bank which is exempt from tax will be increased to £200;
- The deduction for an apprentice will be increased from £150 to £200;
- Allowances for handicapped children will be increased as follows:-

	<u>PRESENT ALLOWANCE</u>	<u>NEW ALLOWANCE</u>
Overseas.	1st Child £600	£720
	2nd Child £500	£600
Gibraltar	1st Child £500	£600
	2nd Child £400	£500

- The allowance for one parent families will be increased from £400 to £500;
- A new additional deduction of £150 will be allowed to persons who are blind.

The Honourable and Learned Chief Minister informed the House during the second reading of the Appropriation Bill of the Government's decision that the parents of Government sponsored children educated at MCD schools would in future be required to pay the difference between the cost of educating their children at those schools and at Government schools. In principle, it is difficult to distinguish for the purposes of tax relief between the education of children who receive full-time education outside Government schools whether in Gibraltar or elsewhere. The Bill provides, therefore, that tax relief for a child receiving full-time education overseas should be restricted to children aged 16 years or over wherever they will be receiving full-time instruction: that is the

allowances will no longer be restricted to education in the United Kingdom or the Republic of Ireland. The allowances will be increased from £300 to £360 for the first child and from £200 to £250 for any subsequent child.

In the course of the study on direct taxation it was proposed, and the Government has agreed, that 100% initial allowances should be introduced for plant, machinery and fixtures. Accordingly, the Bill now under consideration provides that plant, machinery, motor vehicles, vessels and aircraft other than those used for private purposes and fixtures used in any trade, business, profession or vocation will be allowed a 100% first-year deduction from the profits or gains of such trade, business, profession or vocation. Existing written down balances would continue to be treated as at present. Any sums realised from the disposal of assets on which the allowance has been granted or recoverable under any insurance or indemnity would be liable to tax. To prevent abuse certain safeguards have been introduced.

The review by minister and officials also considered rates of Estate Duty. As a result the Government proposes that the following new rates of estate duty should be introduced from the 1st May 1981. Principal Value of the Estate are the first figures I will give and the second will be the rates percent of estate duty.

<u>PRINCIPAL VALUE OF THE ESTATE</u>	<u>RATE PER CENTUM OF ESTATE DUTY</u>
Exceeding £10,000 but not exceeding £20,000	5
Exceeding £20,000 but not exceeding £30,000	10
Exceeding £30,000 but not exceeding £50,000	15
Exceeding £50,000 but not exceeding £100,000	20
Exceeding £100,000	25

The provisions in the schedule to the Estate Duties Ordinance Chapter 52 relating to aggregation of property and marginal relief will remain unchanged except for the substitution of £10,000 for £5,000 under the Aggregation Provision. A new provision will, however, be included in the schedule to the effect that where an estate exceeds £10,000 in principal value but is under £10,500 the duty payable shall only be the difference between the value of the estate and £10,000.

The provision introduced in the 1980 Finance Ordinance affording relief for external decorations and repairs to premises for a period of two years from 1st July 1980 has a further year to run. Although the initial response would appear to have been disappointing, there are indications that more property owners are taking advantage of this provision. During the current financial year the Government will consider whether this relief

should continue after 1st July 1982 and if so for how long.

After taking account of the loss of revenue from the changes in personal income tax, other taxation reliefs and a marginal increase of some £30,000 on the changes in the rates of Estate Duty, there would be a surplus of £963,400 in the recurrent budget and a projected Consolidated Fund Balance on 31st March 1982 of some £9.6m.

I explained in the budget speech on the Appropriation Bill the relationship historically which the Consolidated Fund bears to estimated expenditure: the fact that at any one time the amount available within the Fund to meet short term excesses of expenditure over revenue is diluted by amounts owing for Funded Services and expenditure by the Improvement and Development Fund. I also emphasised the need for a strong financial position if in this, the first year of a new five year Development Programme, the Government is to seek commercial funds to finance the local cost element of the new Development Programme. Finally, I drew attention to the fact that on the figures then presented to the House expenditure was increasing more rapidly than revenue. It is against this background and to avoid ending the year with a deficit on the recurrent budget and a reduction in the Consolidated Fund Balance that the Government considers that the projected minimum surplus on the recurrent budget at the beginning of the financial year should not be less than some £1.15m.

Despite the reduction in the level of direct personal taxation the Government does not propose to switch the tax burden to indirect taxation.

No significant increases in indirect taxation, internal revenue or licences are proposed. There are however two areas which the Government considers justify increases. These are motor vehicles licence fees, gaming tax and licensing fees for gaming machines. Accordingly, an increase of 40% in licence fees for motor vehicles and 20% for public service vehicles will be introduced from the 1st July 1981. The estimated increase in revenue for 1981-82 is £85,000. The estimated effect on the index of retail prices is some 0.13%. Examples of these increases are as follows:-

Motor cycles from	£ 6	to	£ 9	
and from	£10	to	£14	
Private motor vehicles				
The increase will depend				
on weight and will range from	£23	to	£32	
For the majority of vehicles				
	from	£25	to	£35
Public service vehicles will increase from	£23	to	£28	
and £38 at the top and bottom of the scale				
respectively.				

The general betting duty will be increased from 10% to 15% from the 1st July 1981. Pools betting duty will be as follows from the same date:

On each coupon on which the total stakes  
are under £1 10p

On each coupon on which the total stakes  
are £1 15p

On each coupon on which the total stakes  
are in excess of £1 15p plus 5p for every  
additional pound  
or part thereof.

The additional revenue expected from the general betting duty increase is £31,000. It is not possible to quantify the increase in revenue that should accrue from the new pools betting duty.

It is proposed that the licence fee for gaming machines should be increased to £250. During the Second Reading Debate on the Bill to amend the Gaming Ordinance earlier in this meeting, I informed the House that a licence fee of £100 per machine was proposed. In the light of the debate at that time and of the proposals to increase gaming taxes generally, the intention is that this fee should be £250. On the basis of 100 machines the additional revenue would be £25,000.

The Bill provides for only a number of minor amendments to rationalise the application of the Imports and Exports Ordinance. The revenue effects will be minimal. The major changes are as follows:-

- Representations have been made that the way-leave payable for duty free goods should not apply to ships of 1,500 tons gross and over. The way-leave was introduced to cover the administrative cost of supervising such exports. There is a case for according different treatment for bulk supplies as the cost per unit exported is considerably lower. Accordingly the way-leave for vessels of 1,500 tons gross and over will be lifted but overtime fees will be charged for deliveries made outside normal hours.

- Shandy will be included as a separate item instead of paying the same duty as beer. The rates will be:

Not more than 3 degrees proof per litre 14p  
Over 3 degrees proof -

a. In bottles or cans, per litre 25p  
b. In casks, per litre 14p

- Bottled mixtures of spirituous beverages of alcoholic strength by volume of 15% or less, per litre 50p;
- At present camera cases attract 15% duty if shown on the same invoice as the camera, but only 12% if shown separately. The schedule to the Imports and Exports Ordinance will be amended to provide for a 15% duty whether or not the cases are imported on the same invoice as cameras.
- All printed matter, manuscripts and typescripts will be free of duty.
- All claims for remission of duty on goods lost or destroyed must be made within 12 months of the loss or destruction having occurred.

The present rent tariff is out of date and requires a complete revision. Instead of continuing to specify various rates for different items it is proposed to charge 15p for every month or portion thereof per cubic foot or part thereof. The comparable rate in force, introduced in July 1974, is 5p.

The new rate will be introduced with effect from the 1st July 1981, thus giving traders two months' notice. It is not possible to quantify the amount of additional revenue.

Potable water charges are to be increased by between 18% and 20% to give additional revenue of some £260,000 in a full year. The increases for each 100 litres for the accounting period including 1st May 1981 will be:

Domestic primary Butts and pipes	From 11p to 13p
Domestic secondary Butts and pipes secondary	From 26p to 31p
Hotels, MCD, Government departments, hospitals and schools, industrial consumers and other non-domestic consumers	From 33.75p to 40p
Shipping	From 37.50p to 45p
Fountains per 40 litres	From 3p to 4p
Swimming pools	From 37.50p to 50p

Charges for delivery per 4,500 litres by lorry or temporary pipes will be increased to £3 and £4 respectively. There is no change in the meter rental.

The projected additional cost to hotels is some £50,000. Following representations from the Gibraltar Hotel Association, the Government has agreed to meet the additional cost of 6.25p per 100 litres by a special subsidy for this year only. In keeping with the Government's policy to avoid hidden subsidies this will be shown separately in the Potable Water Fund Account.

The proposed increases will add about £1 per month to the average domestic consumer's water bill and increase the index of retail prices by some 0.13%.

No increases are proposed in the Electricity Undertaking and Telephone Fund tariffs.

Mr Speaker, as has been explained in past budgets, the increased charges on funded services are not fiscal measures and do not themselves directly affect the Consolidated Fund. The financial operations of the public utility services create a liability on the Consolidated Fund. They therefore affect the Government's overall financial position but must be considered and treated quite separately from the financial operations of the Government itself. I would like to refer to a further non-fiscal measure which will increase Government revenue and the Consolidated Fund. The Government has decided to increase the price of lottery tickets from £2 to £2.50 per ticket and the first prize from £15,000 to £20,000 with a second prize of £3,000 and a third prize of £1,500. There will be no change in the number of tickets issued which will remain at 19,000.

It is expected that the change will be made starting with the draw to take place on Monday, 6th July. The estimated increase in revenue from the lottery in the current financial year is £60,000.

I am circulating with a copy of this speech a revised financial statement which takes full account of the changes being introduced, including the relief in personal income tax, additional income tax allowances and the additional revenue raising measures announced in this speech. The net effect of these measures will be to increase the projected surplus on the recurrent budget at 31st March 1982 by £201,000 to £1,164,400 and the projected Consolidated Fund Balance at the same date to £9,824,680.

Mr Speaker, Sir, I commend the Bill to the House.

MR SPEAKER:

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

HONOURABLE CHIEF MINISTER:

Mr Speaker, as the Leader of the longest surviving most

successful and most popular political party Gibraltar has ever had, it continues to be in favour of the continuation in Gibraltar of the system of Government and Opposition. As the House knows, however, my party also favours the committee system within this system of Government and Opposition. We believe that members of the Opposite side of the House could make a far better and much more positive contribution to the conduct of Gibraltar's public affairs by becoming more closely involved in the day-to-day discussions of departmental, administrative, financial and economic problems. Such involvement would be in the overall public interest because it would mean members of the Opposition devoting more time to public affairs, the ideas and points of view of individual members of the Opposition, working in departmental committees, the Public Works Department and the Electricity Department to name but two, would be considered by ministers and officials in the constructive atmosphere of a committee concerned in achieving the right solution and not in the inevitably more politically orientated atmosphere of debate in the House of Assembly. Such involvement, Mr. Speaker, would in no way detract from the total freedom of action of the Opposition, individually or collectively. Whatever went on in departmental committees would, with the exception of classified information, be matters for open discussions in this House. Indeed most meetings of such committees could probably be held in public. These overtures of cooperation have, I regret, been consistently rejected in the past.

The reason why I refer to this matter today, Mr. Speaker, is that I am genuinely baffled by the Opposition's reaction to this year's budget. If in keeping with our views on a committee system individual members of the Opposition had contributed to yet another successful and relatively painless budget they could have claimed some of the credit. They would also have been completely free to criticise the very slightly more painful features of the budget. Instead, Mr. Speaker, they have opted - and I am referring of course to the official opposition - as is of course their right, to stay outside the detailed and objective consideration of the problems of Gibraltar, and when these problems are successfully overcome to an extent which neither they nor perhaps the electorate could have expected, they react in a manner which I will briefly comment upon.

The main burden of the Opposition's reaction to the budget has been that the Government has made a number of U-turns. The phrase was originally introduced from the United Kingdom in his last visit by Major Peliza. The first point in which this accusation is made is in respect of the income tax allowances. I really cannot understand it, Mr. Speaker. Two years ago, in 1979, we introduced an income tax family allowances package which considerably improved the position of the middle and lower income groups; in 1980 we introduced further relief in terms of income tax for those with family commitments; this

year, with a healthier financial position, we feel able to go further in this consistent policy and to provide relief which, even after our revenue raising measures are taken into account will mean for middle and lower income groups a net improvement in income of between £2 - £3 a week. This is no U-turn, Mr. Speaker, it is skilful driving in the direction we have set ourselves.

The next alleged U-turn is in respect of the Funded Services. Here the accusation is that we have not passed on to the consumer the higher charges for electricity. I explained the reasons for this in my statement on the Estimates of Expenditure. Had we again with good reason and better judgement increased electricity tariffs this year the other side of the House no doubt would have objected strongly. Tails we win, heads you lose. There has equally been no U-turn in respect of the Telephone Service. Only last week in my speech on the Appropriation Bill, I stated; "if the Government is expected," and I quote, "rightly to be careful of its housekeeping, so too must the individual consumer be careful and in overall social justice be called upon to pay for what he consumes. The Public Utility Service to which this doctrine is perhaps most clearly applicable is the Telephone Service. It is, therefore, the Government's intention to make no budgetary provision contribution at all this year to the Telephone Service Fund as the Financial and Development Secretary has said, it is estimated that by the 31st of March 1981 this Fund will show a deficit of about £172,000. Our intention is that this deficit should be carried forward to the financial year 1982-83, when with the introduction of the direct dialling and the metering of local calls it shall eventually prove possible to recover the deficit." That was the end of what I said in the Appropriation Bill. Once again if we had increased telephone charges I have little doubt that Honourable Members on the other side of the House would have disagreed. We do not increase charges and they disagree just the same.

The Opposition does not charge us with making a U-turn in increasing charges for water. One must accordingly assume that the Opposition does not disagree with this increase, and one can only go on to assume that despite its disclaimers the Opposition would have wished us to increase Electricity and Telephone Charges as well.

The Opposition have been particularly reticent on the question of increases in rent. In this area too the Government is pursuing a consistent policy and one which it will continue to pursue in the light of circumstances at each budget time. There has been no claim in respect of rent of a U-turn, but neither has there been a clear statement of the Opposition's view on this issue. That is whether the Opposition considers...

HONOURABLE P J ISOLA:

If the Honourable Chief Minister will give way. That seems to

be a reply to the budget debate. I thought the Chief Minister had already had a bite of that cherry. Anyway, as long as we can reply to that I am quite happy.

MR SPEAKER:

I am quite sure that the Honourable Leader of the Opposition has no doubt of the fact that he is entitled to reply in the first instance. This is a policy statement on the Finance Bill. To the extent that the Chief Minister is dealing with revenue raising matters or the raising of charges he is entitled to make comments as to what the attitude of the Opposition is to the same.

HONOURABLE CHIEF MINISTER:

I am sure that there will be replies ad nauseum on all these matters, particularly if they have time to think about it.

HONOURABLE J BOSSANO:

I think there is a point, which I think the Honourable Leader of the Opposition is trying to make, of course, that the reaction to the fiscal measures has not yet come and the speech seems to be presupposing the hostility that hasn't yet been manifested.

MR SPEAKER:

Perhaps the Chief Minister apart from being Chief Minister is a politician and he is exercising his right to pre-empt, perhaps.

HONOURABLE CHIEF MINISTER:

No, Mr. Speaker, I did start by saying that the increases in the Funded Services, though not strictly a fiscal measure, are part of the policy of the Government, and insofar as I have anticipated those in my original speech and there has been reaction in the debate, I am entitled to comment on them.

MR SPEAKER:

To the extent that even the Financial and Development Secretary has made a comment, to the effect that the rates of electricity and suchlike, whilst they are not a revenue raising matter do affect the Consolidated Fund, I think one is entitled to make a comment.

HONOURABLE CHIEF MINISTER:

I am particularly interested to note that the interruption has come when I was talking about rents, about which we haven't heard anything from the other side.

Anyhow I was saying that there has been no clear statement and

in fact there were statements about many things in my speech about some of the Funded Services; but there was no statement on the rents, and to that effect I am entitled to ask what the Opposition's view is on the increased rents. That is whether the Opposition consider or does not consider that rents should be progressively increased.

To sum up on the question of the Funded Services, Mr. Speaker, the Government's aims of policy are perfectly clear and have been stated successively at each budget session at least since 1978 which is when the accounts were finally able to be presented, and subject to the limitations I have stated of a political nature, the Funded Services will have to pay themselves sooner or later. The extent to which and the speed with which this is achieved is a matter for the political judgement of the party in office.

I have already dealt in replying to the debate on the estimates of expenditure with the Leader of the Opposition's remarks on the Development Aid Programme. The Government's policy on this issue is also perfectly clear. We believe that in spite of the relative prosperity of Gibraltar today there continues to be a very real case in both political and economic terms for assistance from the Overseas Development Administration. The vulnerability of Gibraltar's economy to external factors has been the theme of statements by successive Financial Secretaries since this House was inaugurated in 1950. Cook, Hayward, Gomez, Davis, Mackay and Collings are all on record on this point, no less so in Wallace. Seven Financial Secretaries cannot all be wrong. It must therefore follow - seven Financial Secretaries cannot all be wrong and Mr. Bossano be right - it must, therefore, follow that any responsible party in office in Gibraltar has a particularly compelling duty to strengthen both the economy and the current financial situation insofar as it is able to do. At this stage I might refer to the fact that I was talking about general statements of policies of successive Financial Secretaries and not to particular items at particular budgets, particularly one which I still remember.

The political case for ODA assistance is equalling compelling and I have no reason to doubt that the policy of "support and sustain" which continues to be maintained though it would be absurd to think that it could be considered in isolation from economic factors in both Britain and Gibraltar. But it is mistaken to suggest, although it has in fact been suggested by the Leader of the Opposition and other members, that the potential surplus in this particular year will militate against the fulfilment of the British Government's pledge. British Government economists would have soon judged the true financial position here anyway.

One other major issue to which I must refer, although it has already been dealt with to some extent by the Honourable Mr. Bossano, is the question of parity and the differential between

the public and private sector. The Leader of the Opposition has stated that whilst the Government can meet its salaries and wages bills through taxation private employers do not have this option. What is the point in this comment. I am sure it is not the view of the Opposition that the Official Employers should abandon parity. If this is not the view of the Opposition let it be clearly stated. The Government's view on this issue .....

HONOURABLE P J ISOLA:

Would the Chief Minister give way. That is a very naughty remark to make. I said quite clearly in the course of the debate, perhaps his speech writer wasn't here, I said quite clearly during the debate, and it is reported in "Gibraltar Libre" I am glad to see, I said quite clearly that what the Government should seek is to help the private sector to bring levels of wages and salaries in the private sector up to the private sector level, not to abandon parity.

HONOURABLE CHIEF MINISTER:

If the Honourable Member would have allowed me to carry on, and I will not allow any more interruptions, I have allowed him two and that is enough. I am sure that it is not the view of the Opposition, if only the Opposition had allowed me to finish. If it is not the view of the Opposition that the Official Employers should abandon parity let it be clearly stated. The Government's view on this is perfectly clear, the Government believes first that parity be maintained in most areas of the private sector; secondly, that where parity is not being maintained there is probably no good reason for such a situation other, than, as the Honourable Mr. Bossano has pointed out, the lack of unionisation; thirdly, that there is one particular area in the private sector in which rates of pay in Gibraltar have exceeded the norm, a development which the Government does not consider desirable but which again it cannot prevent.

The Government must, of course, answer for its own actions; it cannot answer for the actions of the private sector nor should the Opposition require it to do so. If the Opposition feels that the private employer is not paying its employees enough it must take this up with the private employer and not raise it with the Government in the House of Assembly, unless, of course, they are advocating a statutory wages and salaries policy.

Mr. Speaker, I turn now to the details of the Finance Bill.

In my statement on last year's Financial Bill I referred to the Government's intention to carry out an in-depth study into all aspects of income tax legislation. This intention has been fulfilled. The main conclusions have already been described by the Financial and Development Secretary. The first

consideration in our approach has been to provide appreciable relief while at the same time maintaining and, where possible, improving the level of Government services; our second consideration has been to ensure a healthy financial situation so as to sustain future borrowing commitments, having regard to the level of projected capital expenditure.

It has been suggested that we should achieve parity of taxation with the United Kingdom. I dealt with this in my statement on the Finance Bill last year. I said at the time that this would cost over £3m and that, unless we were prepared to accept a substantial lowering of standards, this would have to be made up by increases in indirect taxation which would both seriously affect our competitiveness in tourism and bring about increases in the index of retail prices of between 20% and 25%. I particularly made the point that this would be grossly unfair since it would mean that those in the higher income groups would benefit considerably while those in lower income groups would pay more. The position is no different this year except that it would cost more. Here again, the Government is doing no U-turn.

Instead, we are introducing tax reliefs which will lighten the load, to a greater or lesser extent, on all taxpayers, bearing in mind that, up to now, personal income tax in Gibraltar has been running at roughly 10% above the United Kingdom level.

The two main features of the reliefs we are introducing are first, that tax payers earning a gross income of up to some £6,500 per annum, or £125 per week, will pay less tax than their equivalents in the United Kingdom. In terms of net income, however, that is to say, after allowing for the effects of family allowances or child benefits, United Kingdom married couples with children are just relatively better off along the scale.

Secondly, the higher tax rates will be payable on incomes well in excess of average earnings. For example, a married couple with children will now start paying the 40% rate on a gross income of £8,701 per annum instead of on £6,251 per annum and the 50% rate at £13,701 instead of at £9,251 per annum. In other words, it will be the higher paid who will pay the higher rates. The average tax reduction for the average household will be between 13% and 15%, representing about £4 per week.

The Financial and Development Secretary has described the other changes we have introduced - the exemption from tax of War Widows' Pensions; the increase, from £100 to £200, in the limit of the amount of interest on deposits in the Post Office Savings Bank exempted from tax; the increases in special allowances for apprentices, handicapped children and one-parent families; the introduction of a new allowance for blind persons and the encouragement being given to industry to invest in new plant and equipment and to improve standards. This goes hand

in hand with the new Development Aid Bill which places more of the onus of proof of the economic justification for aid on the applicant, introduces greater flexibility in the granting of relief and provides for appeals against decision not to grant applications..

The decision has been taken to ensure that families with children should not lose the right to continue enjoying the benefit of family allowances while the first child is receiving full-time education abroad for the normal period of an undergraduate course. The necessary legislative change will be made to make this effective from July this year.

The Government considers that its in-depth study of income tax legislation, a study pursued in a painstaking and expert manner, has produced just and sensible results. This study will continue and there could well be further changes in our income tax legislation next year. In this process we shall be directing our aims particularly, once again, at ways in which the law can be tightened up in order to clamp down further on the evasion of tax. The inequity of evasion, by whatever means, of the tax due under the law must continue to be a primary target of the Government so that the burden of the social services enjoyed by taxpayers and taxevaders alike is fairly shared.

I referred earlier on to the slightly more painful aspects of this budget. The pain is indeed slight - no more than a pin-prick: 25p per week on the licence for a private motor vehicle and some minor increases in duty on betting, increases which will be cheerfully borne by the successful gambler.

The overall effect on the index of retail prices of the budget measures this year is under 1%:

Potable Water	+	0.13%
Housing	+	0.5%
Motor Vehicles	+	0.13%

In terms of cash, the average household should be better off by between £2 to £3 per week, after allowing for the tax reduction, the increases in rents, water and motor vehicles, but not gaming. (i.e. per week - tax + £4; Water - £1, Rent - 80p, Car - 25p.)

The overall picture, therefore, is that the estimated surplus on the recurrent budget of £2.63m, reduced to £.96m by taxation reliefs, is brought up, by the revenue raising measures, to £1.16m, this being the minimum which we consider prudent, producing an estimated Consolidated Fund Balance of £9.82m at the end of March 1982.

Thank you, Mr. Speaker.

MR. SPEAKER:

Well, gentlemen, as you all know the procedure on the Finance

Bill is that under Standing Order 32(a)(3) and (4) and particularly (4), we should now recess for a minimum period of not less than two hours to enable the Opposition to consider the implications of the Finance Bill.

As you all know we have certain commitments today concerning the Freedom of the City to the Royal Artillery and therefore it is suggested, and I think the Opposition will welcome the fact too, that they are going to be given longer than minimum of two hours. It is now proposed to recess until this afternoon at 3.45.

HONOURABLE P J ISOLA:

Would it not be better, Mr. Speaker, to recess to 1.30 so that we could finish today. We are quite happy to come back at 1.30 pm because it is a comparatively simple budget to analyse. I think we could do with less than two hours. Admittedly the Chief Minister's speech may require more analysis, but that is not a difficult matter!

MR SPEAKER:

Yes, whatever else, we can most certainly come back at 1.30 pm but we will then have to recess at 2.45 and then come back at 3.45.

HONOURABLE P J ISOLA:

We would prefer that and then we could finish today if possible. It just strikes me, it is possible that we might not finish otherwise. We are quite happy to come back at 1.30, if it is convenient to you, Mr. Speaker.

MR SPEAKER:

If that is the feeling of the Opposition, and the Government is in agreement, we will then recess until 1.30 pm this afternoon.

THE HOUSE RECESSED AT 10.05am.

THE HOUSE RESUMED AT 1.35 pm.

MR SPEAKER:

Well, gentlemen, as you know when we recessed for lunch the Financial and Development Secretary had spoken on the Second Reading of the Finance Bill and the Chief Minister had exercised his right to do so, and, therefore, before I put the question, does any Honourable Member wish to speak on the general principles and merits of the Bill.

HONOURABLE P J ISOLA:

Mr. Speaker, I suppose that if I were to emulate the Chief

Minister I would have to start off with something like, the leader of the youngest political party in the House which has had a meteoric rise in popularity by getting within 5%, in the last elections, of the apparently most successful and most popular and longest surviving political party and putting that political party at risk in its survival. I suppose that is what I should have said in opening, but I think we will deal with the political aspects of this. Mr. Speaker, at a later part of my address, although I think I must comment at this time at the apparent disregard or broadmindedness, let me put it this way, on part of Government Ministers now in reciting prepared statements to the House which of course does not really go towards healthy debate, Mr. Speaker. I can understand it when there are figures involved but when you are having a straight political diatribe I am surprised that it requires to be read from a prepared statement. I don't know whether it is that the Government feel that the press and the television services required to have everything put on a plate for them to ensure that they give wide coverage and thus forgetting the functions of the House which is really to debate measures within the confines of the House.

HONOURABLE CHIEF MINISTER:

Mr. Speaker if the Honourable Member will give way.

HONOURABLE P J ISOLA:

No one, I will only give way twice! This is the first one!

HONOURABLE CHIEF MINISTER:

This is really not in substance, the point is that the rules say that I have to make a statement I normally don't read speeches. The relevance of the statement is a matter for you.

MR SPEAKER:

No, no, I think it is an accepted comment that the Leader of the Opposition is entitled to make. It is also an accepted fact that at budget time both in the Appropriation Bill and in the Finance Bill it is accepted that the statements that are going to be made which are in detail and most certainly require a fair amount of preparation, that the statements can be read if they so wish.

HONOURABLE P J ISOLA:

I mention this, Mr. Speaker, because it seems to be an ever growing practice in the Government benches. I noticed during the expenditure debate that even the Minister for Economic Development, who is not usually guilty of this practice seemed to have a prepared statement on the development side, on the Port Feasibility Study and so forth. I am not complaining

about it I am just mentioning it at this stage.

Mr. Speaker, I think that the address of the Chief Minister on the budget shows how he has failed to appreciate the Opposition's stand on this year's budget, as indeed during the last two budgets, and that is a pity. What we have been saying, or what we said in last year's budget, and which I referred to in this year's budget again, is that the Government was taxing the people of Gibraltar unnecessarily harshly: that the budgetary measures were much too tough and would be bound to produce far more revenue than the Government had modestly estimated for. And then I went on to say that even if the budgetary measures did not produce the extra million that we say it will produce and which in fact it has produced, the Government will still have a comfortable Consolidated Fund Surplus of £5.5m, and, therefore, the Government ought not to be increasing electricity charges, water charges and telephone charges as they did last year. That was the basis of the Opposition's attack on last year's Government budgetary measures. In fact if I remember rightly I said even if the Government puts no extra charge on electricity, no extra charge on water and no extra charge on telephones, it will still have on its own figures a Consolidated Fund surplus position at this time of £4.2m, which compared to what the Government thought prudent last year would leave them very comfortably indeed. This is what we said last year. We did not say last year, we did not subscribe the principle which the Government seems to put forward but doesn't itself fully subscribe to, and that is that the Funded Services should always pay for themselves. We have not agreed to that nor do we agree with that and, therefore, Mr. Speaker, we in the Opposition have not done a U-turn this year, it is the Government who has done a U-turn in agreeing, rightly so, not to put up electricity charges even though the Electricity Undertaking Fund will have a deficit of £665,200. And the Government has agreed not to increase telephone charges even though the Fund will have a deficit of £172,000. And the Government has agreed to put an 18% increase on water even though that would still leave a deficit of £450,000 in the Water Tank, and the Government has agreed to take a budgetary contribution or whatever to the Housing Fund even though that is in deficit to the extent of £1.4m. And we agreed with those measures. It is consistent with what we said last year and, therefore, it is not us who are doing a U-turn, it is the Government. It doesn't matter really, basically as far as we are concerned we are happy that people in 81-82, in the mid term of this Government, are not going to be taxed this year remotely approaching what has happened in the last two years, and we are very glad for that. We have been accused of making a U-turn because we are going to agree, I might add, to the 18% charge on the Potable Water Fund, by putting water prices up by 18%. We are going to agree to that, Mr. Speaker, on the basis of the budgetary package as presented this year, which is a very, very different story to the budgetary package that was presented - well it was not a package knocked down tax and everything else you can think of - we are

going to agree with it, and therefore, we are not going to say, put nothing on water charges when the Government is carrying over a budgetary deficit in the Funded Services of over \$22m.

It is a very different picture that is presented this year and we on this side of the House have to congratulate ourselves, Mr. Speaker. I know Members on the other side may smile and they may laugh, but we have to congratulate ourselves this year for having waged a successful campaign in the last 18 months at least to stop this Government overtaxing the people of Gibraltar. The success of course, Mr. Speaker, has only been a limited success because the Government is still allowing itself a much bigger surplus than is really necessary or required. We are talking of a surplus, Mr. Speaker, estimated by the Government of some \$10m, or rather Consolidated Fund Balance of close on \$10m on the 31st March 1983. And because the budgetary measures of taxation are relatively light, or should I say light, taken as a whole, we cannot here tell the Government that they are going to have another \$4m on what they have estimated this year. We cannot tell them that. We would be very happy for them if they got an extra \$4m but we cannot tell them that will be the position, but what we can tell them is that it will be more than that. It is bound to be more than that because there is a wage review during 1981-82 in the private sector again presumably, and we believe that there have been certain underestimates made in certain parts of the revenue estimates of the Government. And we have mentioned these in the course of the general debate. Import duties I think was one; rates was another.

Mr. Speaker, coming to the budgetary measures, if I may, I said before the amount of revenue the Government is going to raise this year though one shape of taxation or another is a relatively small amount. And to be quite frank, Mr. Speaker, we were expecting a little more indirect taxation, I don't mind saying it. We thought that the present Government, who are generally regarded by and large as teetotalers would have knocked drink a bit more - I am not trying to be offensive, we expected a little bit of that - and having heard the Minister for Medical Services telling us, I don't know whether it was in or outside the House, that he wants to warn people against the hazards of smoking and his department is very worried about smoking and the hazards to public health and so forth, we frankly expected them to raise taxes on tobacco as well. So we consider on this side of the House that we have had a little bonus there.

The general taxing measures, Mr. Speaker, the Estate Duties, variations, it seems to us fair enough, a reasonable enough redistribution, more realistic, making any estate under \$10,000 to have no taxes payable, putting the top limit a bit up, yes, we go along with that, Mr. Speaker, so this is the feeling. Gaming Tax we agree with that entirely. We have mentioned this in this House and we are glad to see that gaming machines are going to pay instead of \$100, \$250. Government will get no

opposition from us on that at all. If they want to come for a little bit more next year we will help them out on that next year. So we are quite happy with the gaming tax amendments. Imports and exports, well, there is very little, there is hardly anything. I think the measure about way-leave, the way-leave proposal is sensible in respect of bigger ships. I have heard complaints and comments before: under 15,000 tons I can understand the reason for it, so we go along with that, Mr. Speaker. I am leaving out income tax for the moment.

Now rates, rates I am glad that the law is providing that they can be revalued but this is rather like shutting the door after the horse has bolted. They will not go up on the 1st April 1982, Mr. Speaker, but they have gone up the hell of a lot on the 1st of April 1981, a minimum of 25% and that is another area where we feel that the Government has probably underestimated revenue. They have gone up a lot on the 1st April 1981 and that, coupled with the proposed Government increase of rents of Government housing by 20%, may well take away from the lower income group any benefits they are receiving or have received from the income tax. We haven't got the figures, we have been told that there is a net gain: it must be very small, Mr. Speaker, because looking at the income tax tables that have been produced, a single man earning under \$5,000 a year, or indeed a married couple, or even a married couple with one child receiving income under \$5,000 a year, on the income tax measures, will not be better off, unless I have misread these tables, to a greater or lesser extent, than a maximum of \$1.80p a week. And with the increases of rent and the increases of rates I am not sure whether that is not further brought down.

HONOURABLE A J CANEPA:

If the Honourable Member will give way. Could I please know how he calculates that, what is he looking at so that we know that we are not speaking at cross purposes, that we are talking about the same thing.

HONOURABLE P J ISOLA:

I am looking at these tables which have been circulated. Please correct me if I am wrong at this stage. I have taken the \$5,000 single person income, he will pay \$114 less tax a year; the married couple with no child will pay \$130 less; and the married couple with one child will pay \$133 less.

HONOURABLE A J CANEPA:

How did he get \$1.80p a week.

HONOURABLE P J ISOLA:

The figure in my mind was \$250 which was a figure I think I saw

in one of the speeches. It comes down to a maximum - I am glad I am corrected here - a maximum of about £2.20p a week, that is a married couple with one child, to a lower sum for a single person and so forth, but with the rent increase and the rate increase, that of course is whittled down still more. So that it seems to me that the lower income earner is better off this year than he was last year; no doubt about that, because last year it was a minus sign all along the line, this year the plus sign appears, so he is better off. The only problem of course, and I am sure the Honourable Mr. Bossano would say that, is that the better-offs are better off still, and this is so. I suppose in a way it is inevitable because the better off are in fact paying more tax than the chap who is less well off, so in a way it is understandable. But going down to the lower, and I think I have gone quite high because I think £5,000 is the average earning so that means the lower people are all well below that, it is the lower or middle who are only marginally better off. I am making that remark really in relation to the rates and the rents, and I have been asked by the Chief Minister that we have been remarkably silent on the proposed 20% increase of rents in Government Housing. Well, let me say why we are silent. We have listened with great interest to everything that has been said with regard to Housing; the move of the repair fund from the Housing Fund direct to the Public Works Department, and the difference that makes; we have heard and listened with much interest to what the Honourable Mr. Bossano has said on Housing. We find ourselves in the difficulty of getting the real picture, which in our view the real picture comes from Government Housing because Government Housing is, I think somebody said, 70% of the housing stock in Gibraltar, and what we would have liked to have seen before we came to the House - and we mentioned this - is the Public Works Committee Report on the expenditure of the Public Works Department, its general standard of efficiency and so forth. The reason why I say that, Mr. Speaker, is that if in fact the Public Works Department for one reason or another is not cost efficient, is not as productive as it should be, because let us suppose, we haven't seen this report, of weak or ineffective management and that results in a much higher maintenance and repair bill, we would then think it wrong that Government Housing tenants should be asked to pay more rent to foot the Bill for inefficiency and mismanagement.

Now, we kept quiet on this on the budget debate because we do not have the Public Works Committee Report and we have not been able to comment on it especially in the light of the estimates, of the Government budget. That is why we kept quiet, but we are unable to form a view at the moment on the wisdom or otherwise of the proposed increase of rents in Government Housing until we have the full picture. This is not to say, Mr. Speaker, that we are against rents increases. Obviously we cannot be. In the same way as we have agreed to a modest increase in water rates we agree with a modest increase in rents. It is inevitable and it must progress if the landlords, in this case the Government, - or in private housing the private landlord, are to

maintain or keep up to the standards that we expect them to keep up to.

Now when it comes to private housing, private landlords, and in the private sector, what is happening is something that is causing us concern. Unfortunately we believe that the solution lies in a radical housing development programme. We think that there will always be a shortage of housing in Gibraltar and that the private sector inevitably, because of the constraints there are on rents in rent restricted dwellings, where rents I think are at a lower level than Government, I might be wrong, this must inevitably lead to landlords who have to fulfil Public Health notices and so forth, trying to make up for it in furnished accommodation or whatever. I know it is a big problem, Mr. Speaker, and I don't think it would be fair in the course of the Finance Bill for me to give our views and our thinking generally on the Landlord and Tenant Ordinance, which certainly in our view requires revision and looking at impartially and examining with evidence, and it may well be that the answer eventually is a Select Committee of the House to have a look at the Landlord and Tenant Ordinance. But certainly as far as Government Housing is concerned and the proposed increase, there are constraints, Mr. Speaker, in our giving unequivocal either opposition or support to the proposed increase. So discretion is the better part of valour and we have kept quiet. Once we see the Public Works Committee Report and are able to form a judgement then of course we shall say what we think on the matter.

Mr. Speaker, now I come to the package referred to by the Financial and Development Secretary in his speech. By and large, the effect of the income tax package is to reduce the working surplus at the end of the year from £2.1m to £960,000 - odd, and the Government proposes to add to that £960,000 some £200,000 - odd in taxation, leaving a working surplus at the end of the year of £1.1m. Well obviously, Mr. Speaker, in those circumstances, in a year where the Government at long last is going to give more than it takes, we are not going to vote against the Finance Bill. We are not going to vote against the Finance Bill, we are actually going to vote in favour of it. Whether we do the same next year is another matter. We are going to vote in favour .....

HONOURABLE A J CANEPA:

It would be a U-turn if you did not.

HONOURABLE P J ISOLA:

I am sorry I must confess that is probably the first U-turn of the Opposition, we are voting in favour of the Finance Bill after voting against it for two years and we apologise to the House for the U-turn, and we apologise for the Government for any embarrassment this may cause them!

We are voting for the Finance Bill as a whole because the extent of taxation in the Finance Bill is minimal. We are not going to deny the Government an 18% on water and their gaming taxes and the other matters I have mentioned just for the sake of being in opposition, just for the sake of opposing. We view that as a package, in the sense of revenue raising we accept the Finance Bill.

Right, having said that, Mr. Speaker, I don't want the Government to get away with the impression that we think they have been generous or overgenerous, because they have not. True they have given us the £100 allowance that they denied us last year: the amendment that we made in the Finance Bill last year to increase personal allowances by a further £100. It is true that this year they have given us that, and for that we are thankful. It is also true that the bands have been widened. The full amount however that the Government gives in a full year on income tax has been £2.25m; in this year it is somewhat less obviously, it is only 10 months. We think it could have been more.

Now, why do we say that. It is very simple, Mr. Speaker, because they took something like £6m off us last year, and all they are doing to the people of Gibraltar is giving them - yes something like £6m - with a projected surplus of £5.4m that is £3m; and I think the Government revenue measures were meant to produce about, I have forgotten now what it was exactly, around £2m, anyway they took a lot more millions than they have given back this year, and that is probably not putting it correctly. What I am saying, Mr. Speaker, is that the Government has taxed us unnecessarily over the last two years and that the process of reducing taxation is one that should continue and should have continued with a little more this year than it has done. But we are not going to move amendments although we did move an amendment last year I believe the £100 should have been amended to the figure £200: we are not going to do that because we have noted that the Government has made an exercise and in that study on the Income Tax Ordinance they have considered something like 20 options, they have been feeding information into their computers and so forth and we tremble to think that if we were to suggest the widening of the particular band, we tremble to think what would be the answer on the other side, what we would be told of the complex mathematics that would have to be indulged in the computer and the computer time and all that, so all we are going to do at this stage, Mr. Speaker, is to say we welcome the U-turn of Government policy on personal income tax, and we tell them they are moving in the right direction, downwards. I don't mean in the popularity stakes. We think they are probably moving upwards as a result of this, but we welcome that they are moving downwards in relation to the income tax. We think that in Gibraltar we are overtaxed, and we think that the course we set the Government on in 1979, to look at their expenditure to look at the management of the finances and so forth, and which they took seriously and which they have done a lot of work on, judging from the savings they have done and the

inquiry committees they are putting on and all the rest of it, and the course that we have set them on so far as income tax was concerned, the need to reduce levels of taxation we wish them luck in the continuation on that course. And as long as they are following that course they will have support from this side of the House.

Now, Mr. Speaker, as things are said for the record, I think I have to deal a little with what I call the fiercely political speech of the Chief Minister in which he answered this side of the House for a second time in the course of this debate. I must refer to his claim to be the leader of the longest surviving, most successful and most popular political party Gibraltar has ever had. Fullstop, Mr. Speaker, fullstop. Well, I suppose it is the longest, yes, and it has had its success, it has had its ups and downs, and of course I don't think any political party represented in this House can go back more than about three years, so we cannot question the claim of longer surviving, but what we do question is the most popular political party in Gibraltar, because, Mr. Speaker, I think that as the party that has been dominating the political scene in Gibraltar for some 30 years, their showing in the last general election could hardly be described the most successful or the most popular.

A look at the figure will show that. The 1976 elections showed the governing party capturing 48.5% of the votes, and the Gibraltar Democratic Movement, led by my Honourable Friend Mr. Bossano, 25.6%, and the ex-IWBP or the three independents who stood, 17.9%. In 1980, Mr. Speaker, the governing party captured 38.6% of the vote, a drop of 10% the DPBG, fighting a general election for the first time. . . . Are we being factual or are we being facetious? The DPBG, Mr. Speaker, captured 33.4% of the popular vote, 5% behind the governing party; my Honourable Friend Mr. Bossano's party captured 20.6% of the popular vote; and then the independents 4.2%, and the Party for the Autonomy of Gibraltar 3.2%. So really, Mr. Speaker, my Honourable Colleague here and my party together, of course, have the majority of support in Gibraltar, if we go on purely electoral terms. Interesting figures too, Mr. Speaker, of this most successful, most popular political party. All Government Ministers suffered a drop in votes, without exception, except the only person who wasn't a minister in the last Government, my Honourable Friend Mr. Perez. He actually went up by 120 votes. All the others suffered a drop, ranging from the Chief Minister 2,255 votes; the Honourable Mr. Zammit, 2188; the Honourable Mr. Canepa, 1,363; and others down to the Honourable Dr. Valarino, only 16 votes. He managed to maintain his popularity rating and I congratulate him on that! And my Honourable Friend Mr. Bossano just suffered a marginal drop, and the three leading contenders in the DPBG, who had stood in the previous elections all had substantial increases in their votes. 593,474, and my Honourable Friend Mr. Restano 1,159.

MR SPEAKER:

That has been an excellent exposition of the last election result. I think I have been liberal enough.

HONOURABLE P J ISOLA:

You have, Mr. Speaker, but I thought something had to be said about the governing party describing itself in such superlative terms, as most successful and most popular, otherwise I wouldn't have mentioned it.

Mr. Speaker, the other point I must mention is what has been thrown across the floor about the Government being in favour of the continuation in Gibraltar of the system of Government and Opposition but also favouring a committee system within this system of Government and Opposition. That I think is a slight change in the Government's stand, trying to capture I suppose both ends of the spectrum. As I understand the committee system, there can be no question .....

HONOURABLE CHIEF MINISTER:

If the Honourable Member will give way. I shall make my last bid!! The Honourable Member may avoid a lot of repetition. The proposals that I made in the Constitution Committee are exactly what I have revealed today. There has been no change in the views of the AACR. The committee system provided in the Constitutional proposals, joint constitutional proposals as a result of long consultations with the other side, provided for the terms of committee that I have outlined today. There have been no changes in that.

HONOURABLE P J ISOLA:

I have a different recollection on it, but anyway, be that as it may, Mr. Speaker, we have a system of Government and Opposition in Gibraltar, the system is based on the Westminster pattern and the Opposition should project itself as being the alternative Government. This of course can only be done from the Opposition benches in a proper system of Government and Opposition. We cannot agree to a system under which the Government governs and the Opposition sits around in committees telling them what they ought to be doing and ensuring that for evermore they stay in Opposition. That is the system that is proposed, that is a system that we cannot agree to. I don't think the system of Government and Opposition is working so badly, Mr. Speaker, I think in a way in open debate and people making points, people keeping Government on their toes, proper reporting of what happens in the House of Assembly, which I think, without wishing to be disrespectful to the media as a whole, I think we get from the Gibraltar Chronicle and GBC. Perhaps that is because they are here listening in. We don't get really what you can call proper reporting of the proceedings

in the House in other newspapers where the editor is noted for his absence from the House but who nevertheless comes out telling the people what is happening in the House of Assembly. I think that if there is proper reporting and the Opposition is doing its job responsibly, I think the system of Government and Opposition works in favour of public interest as a whole. Now it is not a perfect system, Mr. Speaker, I know it is not a perfect system, but I think that the way political parties have evolved in Gibraltar over the years, it is the only system. If the political parties all collapsed and we got a situation as exists in Jersey or the other smaller territories, if individuals merely stand for election then I suppose the committee system would be the right sort of system then. But the way democracy has evolved in Gibraltar, and political parties have evolved in Gibraltar, I think it is wishful thinking to talk of committee systems.

What I think we have evolved successfully is the Gibraltar view on Gibraltar. I think that has been successful. In the context of Government and Opposition we have been able to have a bipartisan approach on foreign affairs, we have been able to maintain the unity of the House on matters affecting Gibraltar in such things as the British Nationality Bill and so forth, but I think we have, to a certain extent, developed our own pattern. People in England find it difficult to believe how we can have Government and Opposition in Gibraltar, how we can be at each other's throats as it were in the House and yet be saying virtually the same thing to Committees of the House of Commons, and for that I think a lot of credit is due to the political parties in Gibraltar and the leadership exercised within them. So much for that, Mr. Speaker.

Now, Mr. Speaker, within the budget, and I kept this for the political side of my address on the budget, is the question of pensioners, of the Elderly Persons Pension which we bring up with monotonous regularity, it is true, but we bring it up because we believe that we are right and we believe that the Government is wrong. The Government is giving now in tax relief £2.25m in one year, and yet it cannot bring itself to give an extra £60,000 - odd to relieve the position of the elderly people in our community and put them on a par with the other state pensions. We think that is disgraceful. We think that the Government are now playing politics with the elderly persons. We feel that the Government, because they know that if they change what is a matter of principle, if they change the law on that, because they know that this side of the House is going to get a political credit of it, they refuse doggedly, they refuse doggedly to change something which they ought to change as a matter of principle. And I hope the Minister for Economic Development, who is completely I think and fully responsible for the attitude that the Government is taking on the Elderly Persons Pensions, will not go on television and say that we are asking for this so that people can go in their Rolls Royces to collect their pensions, because that is a

the budget, that we think the Government might well do to be more helpful to the lower income groups who are not getting, in terms of money, the same benefits as people earning rather more, and this I think is in the sphere of Family Allowances.

I think the budget might have been that much more equitable if there had been an increase in Family Allowances of say 20%: by £1 only. I think looking at the figure down here that is about another £170,000 or £120,000, I am not sure which of the two. £140,000 I am told. I think that might have got the balance and the picture better. But again that is a matter for the Government. We are not voting against the Finance Bill, we are supporting it.

Mr. Speaker, there is one thing again I have mentioned and that is the remarkable allegations made against the Opposition, my party anyway, insinuations or misconceptions, let me put it, of what I said on the question of private sector levels of earnings. I am convinced that the person who inspired that part of the speech of the Honourable and Learned the Chief Minister couldn't have been in the House when I was speaking or couldn't have been attentive to what I was saying. I said perfectly clearly that the aim of Government economic policy should be to bring the earnings in the private sector up to the level of the earnings of the public sector. I said that categorically. I did not say, nor could I have been interpreted as saying by any conceivable notion, that Government should give up parity, which took so many people so long to convince them to do and do their first notable U-turn. Could it be said that I was suggesting that the Government should go off the parity stand? We have not said that. In fact it is quite clear that the economic forecast of the Honourable Mr. Bossano in 1979, which I will concede we didn't completely share, that parity would eventually have as far as the revenue of the Government was concerned, the effect during that year, rather more effect than was envisaged by the Government and indeed by us, has been proved to be correct and which proved to happen. There is no question about it that the Ministry of Defence expenditure is the vital factor in the economy and the vital factor in maintaining parity. I doubt whether parity could be maintained without that level of spending. But what I was trying to say, and what I repeat now, what I was trying to say then and what I repeat again now is that Government economic policy should be to try and improve private sector earnings by taking measures that bring up the private sector into a situation that enables them to compete with the public sector in attracting people into employment by offering them equivalent rates of pay and conditions as in the Government. And the point that I was making is that the Government had a tax, that is taxation, which is not available to the private sector, and I hold to that. I do not agree, that the private sector can produce the money out of a hat like the Government can to the extent it wishes. Admittedly Union pressures can make them bring out more than they would like to give but at the end of the day, if a private enterprise cannot be run successfully it collapses, and if it collapses it brings unemployment and a

distorted picture of the points of principle as between the three state pensions.

HONOURABLE A J CANEPA:

I never said that, I never said that. That was said by Mr. Xiberras. That was said by Mr. Xiberras when we introduced the Elderly Persons Pension.

HONOURABLE P J ISOLA:

Mr. Speaker, it was reported to me, I did not hear it, that the Honourable Mr. Canepa after the last budget went on television and said precisely that. I accept what he says as a matter of fact, if he says he hasn't said it, I accept it entirely.

HONOURABLE A J CANEPA:

I may have repeated that, but I never introduced that here in the House. It wasn't me who first said in denigrating the whole concept of the Elderly Persons Pensions that people were going to be driving up College Lane in a Rolls Royce. And I can even give him chapter and verse in the Hansard.

HONOURABLE P J ISOLA:

I don't for one moment doubt that, but that is what I was told: possibly that the Honourable Member cited on television with approbation, I don't know, but certainly the impression that was reported to me, and in fact I was not surprised because then it was the Honourable Member who had said in this side of the House that what about all those rich people who are collecting their Elderly Persons Pensions and not paying tax on them. In our view that is a distortion of the point of principle involved here, in the same way, Mr. Speaker, as this income tax relief that is proposed by the Government in effect will favour those better off because they are paying more tax, but that doesn't stop the Government broadening the tax bands or increasing the personal allowances. In the same way, on a matter that is a matter of principle, the Government should not be deflected from treating all state pensioners the same by the fact that some will be getting more benefit than others. Because as we said in this House we were concerned with the lower income groups and the middle income groups of the Elderly Persons Pensions, and all members of the House know that as far as Social Insurance Pensions are concerned which are tax free there are a great number of people in the higher income bracket, in the very high income bracket, collecting these pensions having paid next to nothing in contribution tax free. We think it is disgraceful that the Government should not treat this matter as a matter of principle and give equality of treatment to all state pensioners alike.

There is one other thing, Mr. Speaker, now that I am talking on

drop in earnings, and we have no better example of this than what is happening today throughout Europe, including England, as the recession takes its toll. But in Gibraltar, I say Government's economic policies should be directed to try and stimulate the private sector, because by stimulating the private sector we would hope to achieve parity of earnings between the private sector and the public sector, because, Mr. Speaker, that is a matter of social justice. There is no reason at all why a clerk or a clerical officer should be earning less in private employment than in the public sector, if he is meant to produce the same amount, and, therefore, we have to work towards that. And in that connection, Mr. Speaker, we welcome the new allowances that the Government is bringing in, depreciation allowances, in that connection too I should really welcome that they haven't put up their price of drink and tobacco and so forth, because that will have I believe an effect on tourism especially English residents who are now really paying through their nose for cigarettes and drinks. They will be very relieved to see the level of prices in Gibraltar.

So let it be absolutely clear that my party's interest in this matter in the private sector has been, and my reference to the private sector has been that we believe in a healthy private sector, but resulting from a healthy private sector a necessary corollary must be equivalence or parity of earnings between the private sector and the public sector, as a matter of broad social policy in Gibraltar.

Mr. Speaker, there is one thing that I would like clarification on by whoever answers on behalf of Government, or of the persons answering for the Government, and that is the reference - it is a small point but it is in connection with tax relief for people paying for their children's education outside Gibraltar, the reference to the children receiving education outside Government schools, and the statement made by the Financial and Development Secretary which seems to run contrary to what was said in the second half of the budget debate, the statement that Government sponsored children educated at MOD schools would in future be required to pay the difference between the cost of educating their children at those schools and at Government schools. That is what I understood Government policy to be when I was addressing the House and I therefore suggested that what should happen was that there should be talks, there should be negotiations with the parents, and the Government should seek to achieve a contribution not as much as the full difference, which in my view would be an excessive amount to charge parents who belong to a religious minority and desire their children to be educated in a particular school. The difference was about £500 and we thought that to be inordinately high. I got the impression that Ministers on the other side agreed with this, and we were told that this was a matter for negotiation. But in the way the Financial and Development Secretary has put it in his contribution it appears that the Government is going to charge

parents of children educated at MOD schools the difference in cost of educating their children in those schools and at Government schools. I would like, if that is not the correct position, I would like some Government Minister in reply to tell us exactly what Government policy is in this respect so that everybody may know what the position is.

Mr. Speaker, there is one last point and I don't want misunderstanding to exist, and which the Chief Minister dealt with and I think again was a distortion of what we were saying, and that was the question of the surplus, that an overlarge surplus could militate against getting the proper amount, let me put it that way, of development aid in the next Development Aid Talks on the basis that the British Government would consider that because our finances were in such a healthy state, and their finances were not in such a healthy state, Gibraltar should take rather less than perhaps it would have taken if the financial picture had been worse than that presented. Now I am not suggesting, and we have never suggested, that Gibraltar should have its finances in a state of bankruptcy in order to get maximum aid from the United Kingdom. What we have said is that the economic picture of Gibraltar, the true economic picture of Gibraltar, had become distorted by excessive taxation that has shown a very very healthy surplus which would militate against getting the sort of development aid that the true economic situation of Gibraltar merited. That was our criticism. We agree and believe that the British Government would honour its pledge to sustain and support Gibraltar whilst we are in these difficulties, and we have said so, but what we do say is that the extent of the aid and support that is required could be in question if we had an inordinately healthy surplus brought about as a result of excessive taxation. That was our complaint. What we are saying is, if you had a surplus of £5m or £6m, that is a healthy surplus, that would be alright, but to have £10m makes it very tempting for those advising Her Majesty's Government to suggest a more moderate programme of assistance to Gibraltar, bearing in mind the political and economic factors involved. That was the extent of our criticism and I believe it is a valid one because I believe that sustain and support should be given to Gibraltar consistent with Gibraltar's true economic position and not a possibly false economic picture given as a result of excessive taxation. And to that extent we are critical of the Government surplus, to that extent and related to that we are critical, and we think that this time round next year the Consolidated Fund Balance will be more and higher than that predicted by the Financial and Development Secretary in his address to the House, and, therefore, we hope that the Government aid talks will take place and be finalised before the next budget, because otherwise we fear a different picture will emerge.

Mr. Speaker, that is our considered view on the budgetary measures, Government can take heart from the fact that certainly

my Honourable Colleagues and myself - I don't know about the Honourable Mr. Boscato - but certainly my Honourable Colleagues and myself will support the Finance Bill and will vote for it, but in doing so Government will no doubt bear in mind the criticisms we have made as to the extent they have gone, and bear in mind the most important qualification we have made, and the most important appeal that we do make from this side of the House, and that is that the Government should take a step in the direction of social justice by making the Elderly Persons Pensions tax free and equating them with the other two state pensions.

Thank you Mr. Speaker.

MR SPEAKER:

Right we were intending to recess at 2.45 pm it is 2.40 now. I think we will recess.

HONOURABLE MAJOR F J DELLIPIANI:

Mr. Speaker, on a point of clarification. With regard to the sponsorship of the children to the Services School. The Government's policy is that it will pay what it costs to educate our own children in our schools, at First and Primary schools. I did give an indication in my intervention, and I did not want to go into details in case it got to the ears of other people and it was spoiled, that we were working on a scheme whereby the parents contribution would be considerably reduced. I would ask the Opposition not to press me on how we are doing this but we are working on this. The principle is still the same. We are prepared to pay as much as it costs to educate our own children in our own schools but we are working on a scheme so that the parents will not be liable to pay the quite considerable extra amount that they are now required to pay under the sponsorship scheme. I would ask the Opposition to leave it at that and let my department work on the scheme that we have.

Thank you, Mr. Speaker.

MR SPEAKER:

I myself am getting slightly confused in so far as what was said in the Appropriation Bill and in so far as the education side is concerned and what has been said in the Finance Bill in so far as the relief to be granted on payment of education. I understand from what has been said in the Finance Bill that relief from income tax should be granted for anyone having to pay the difference, is that correct?

In other words the Finance Bill is relevant and what has been said is relevant to the extent that relief which is being granted and nothing else, but not how negotiations are going.

HONOURABLE FINANCIAL AND DEVELOPMENT SECRETARY:

Mr. Speaker, Sir, I would like to point out, if I may, that there is no inconsistency with what I have said in my speech on the Finance Bill, with what the Honourable Minister said in the Appropriation Bill. All I was saying is that there will be a cost to parents of these children and looking at the principle of it, they are having to pay something, should they get relief, or should the relief to parents who are educating their children overseas be cut back to the age of 16, and what we have done is to bring the relief to the children of 16 and over, educated overseas, which then the difficult principle which we were facing no longer exists. So that I don't think my intention was to say anything other than to confirm what my colleague has said neither is it inconsistent with that.

HONOURABLE P J ISOLA:

Well, Mr. Speaker, I welcome these clarifications. The impression I got was very different. But having heard the Minister for Education, what he is telling us he is doing, we will not bother the Government any more about it, we shall wait and hear the outcome. I only raised it because I got the wrong impression.

MR SPEAKER:

We will now recess until 3.45 pm.

THE HOUSE RECESSED AT 2.45PM.

THE HOUSE RESUMED AT 3.50PM.

MR SPEAKER:

We are on the second reading of the Finance Bill. We have had contributions from the Leader of the Opposition and the Honourable Major Dellipiani. I will invite any further member who wishes to speak to do so.

HONOURABLE J B PEREZ:

Mr. Speaker, the contribution which I am about to make to the House will be rather a short contribution I think due to the fact that it has been made very clear by the Leader of the Opposition that the majority Opposition party will in fact be supporting the Finance Bill as proposed by the Honourable the Financial and Development Secretary this morning. The first point that I would like to remark on the contribution by the Leader of the Opposition is that I find that there has been a change of attitude on the manner in which the Leader of the Opposition has conducted or has contributed to the House during this budget speech with particular reference to the speech he made earlier on this afternoon. When I say a change

of attitude I think it was very aptly put by the Chief Minister this morning when the Opposition were telling the Government, tails I win, heads you lose. Or I would put it in another way, Mr. Speaker, and that is that throughout the last two budget sessions, in fact throughout the last two years in this House, Government has been put on trial by the official opposition party, but unfortunately, Mr. Speaker, it has been a trial by ordeal, which is reminiscent on the medieval times, and that was when somebody was bound and immersed in water and if the person floated he was guilty, if the person sank and was drowned he was in fact innocent. I am glad to say, Mr. Speaker, that this attitude has somewhat changed in this particular contribution from the Leader of the Opposition. But let me remark that I find—I will say it in Spanish and then translate, Mr. Speaker, "se le ve el rasillo" because I feel there are still traces of some of the previous attitudes of the Opposition party.

For example Mr. Isola although agreeing, or in fact he said that they would be voting in favour of the Finance Bill, he said, why don't we give more by way of Family Allowances. He also goes on to say that we could be more generous in connection with the new tax terms that have been announced. He also refers to the pensions. Now this is in fact, Mr. Speaker, obviously a very popular thing to say for the people of Gibraltar, but it is something which possibly Mr. Isola would not be able to fulfil if he in fact were on this particular side of the House.

Having said that, Mr. Speaker, I feel that for the first time in the last three years there has been a recognition by the Leader of the Opposition of the fact that the policies of this Government are working. Not only are the policies working but the performance of the Government particularly during the last three years commencing in 1979, when the economy was not in such a strong position, have been extremely good. Our performance has been good, our policy has worked and it is due to that, due to our policies, due to the consistency in the manner in which our policies have been carried out, that today we find ourselves, we find our economy in a rather healthy situation.

As I say, Mr. Speaker, the facts speak for themselves in connection with our policies. We now find ourselves with room to manoeuvre. We find for example in connection with the housing programme, in connection with the power development, the installation of International Direct Dialling, the port development that we intend to carry out, all these things we are able to do now due to the healthy state of our economy. And I say that this can clearly be seen looking at two things. Based on current form, based on current charges of duty, based on current taxation and charges, we have an operating surplus, or an estimated operating surplus for the year 81-82, of £2.63m, and that is, Mr. Speaker, after allowing for uncovered deficits of £2.5m in our Funded Services. That is one. The second point is that the healthy level of the projected Consolidated Fund Balance for the on-coming year is in fact in the region of

£11.29m, and I think, Mr. Speaker, as I have already commented, it is the first recognition that this Government has had from the Opposition that our policies have succeeded in bringing this particular situation that we see ourselves in today. We must remember that the estimated figure that the Government intends to spend this year on development has been put down at \$15.65m, which includes \$6.6m for the new power station and for the telephones. And yet, Mr. Speaker, I think that the most important aspect of this is that it has not been achieved by cutting down on expenditure. In other words the state of our economy has been reached maintaining our level of services to the community, and maintaining our medical services. For example this year the total estimate is of £4m which is nearly 1/10th of our total recurrent expenditure, which I think is a figure to be proud of. We have the estimated expenditure on our education and also on our social services. I think our social services are another aspect of our administration which Gibraltar can be proud of, Mr. Speaker.

Also we must take into account that we have no unemployment in Gibraltar and I think that on the whole most Gibraltarians enjoy a reasonable standard of living. And I must say that this again has been due to the very careful planning and the very careful handling of the economy by the AACR Government. These policies which I have outlined, Mr. Speaker, I think are in fact quite apparent and in fact reflected in the announced revenue raising measures in the Finance Bill.

We have in fact increased allowances and we have lowered the tax bands. As I see this, Mr. Speaker, there are four main advantages that will accrue to the community on this line. The first one, as has already been pointed out, is that the higher tax rates in fact will not be reached except for those people who are in receipt of income well in excess of average incomes in Gibraltar. For example a married couple with children will reach the 40% rate with earnings of around £8,700 per annum, whilst previously the 40% rate was reached in the region of £6,200 per annum. Also the 50% tax rate is now reached by those whose earnings are around £13,700 per annum whilst before these proposals it was reached by those whose earnings were around £9,200.

The second point which I would like to highlight is that the gap between the local tax system and the UK has in fact been narrowed, and again I think the House has been informed that people with gross incomes of up to £6,500 will in fact be paying less by way of income tax than their UK counterparts.

Thirdly, Mr. Speaker, the average household incomes of around £7,000 per annum will I think represent a tax reduction with our proposals of around 12%, which again I think will work out to something in the region of £4 a week.

And fourthly, Mr. Speaker, I think it must be pointed out that

the increase in allowances is around 13% which is in fact slightly higher than the inflation rate throughout the last year.

Again, Mr. Speaker, the cost of these proposals are £2.25m for a full year as stated by the Financial and Development Secretary and in fact for the actual year 81-82 these proposals will cost the Government £1.7m. Taken together with the other taxation relief and taking into account the increase which should be derived in estate duty the surplus for the recurrent budget will be lowered to £963,000 and the projected Consolidated Fund Balance should fall to £9.6m. The important thing with these revenue raising measures, Mr. Speaker, as I see it is that due to Government's policy of maintaining the recurrent surplus at not less than £1.15m, and also in retaining a healthy projected Consolidated Fund Balance in order to enable us to carry out a development project, we have achieved this not by shifting from direct to indirect taxation, because I think it is quite clear that by doing that the people in the lower income groups are in fact worst hit. And I think, Mr. Speaker, that is the situation that the UK Government had found itself in this year. What we have done in fact is to look towards gambling and towards motor vehicles. As has been announced we are proposing to increase betting duties from 10% to 15%, there is an element also on the pools and also the licensing fees for the gaming machines are also going up.

All in all, Mr. Speaker, as I have already mentioned the total effect is that we retain the required recurrent surplus and we also maintain a healthy Consolidated Fund Balance at the end of next year.

So, Mr. Speaker, what is the net result? As I stated the first point is the recurrent surplus for 81-82, that is after taking into account our revenue raising measures, we find the estimate will be in the region of £1.16m; two, we retain a healthy projected Consolidated Fund Balance which is vital for our development programme of £9.8m, even after allowing for a budgetary contribution to our Funded Services of £2.5m; thirdly, we maintain the services that we are providing, the medical, education, social services and the other services that the Government provides; fourthly, we maintain full employment in Gibraltar, and, fifthly, Mr. Speaker, I think that these measures will go a long way and are conducive to a substantial improvement in the real living standards of the people of Gibraltar, particularly those of the lower and middle income groups.

Mr. Speaker, if this is not Government I really don't know what is. I think, as I said, it shows careful planning and careful considerations throughout the last years.

Mr. Speaker, the Honourable the Leader of the Opposition mentioned that his party were the alternative Government: I would say that they may be the alternative Government merely

in numbers, because unfortunately they have not come up in my view with any alternative policies to those presented by the Government in this House. They in fact have advocated give-aways but yet they do not suggest where the money is to be derived from. They have asked the Government to monitor expenditure. They have told the Government to ensure that the revenue side exceeds the expenditure side for the year 81-82. And yet they again have not put forward their policies as to where the money is to come from. They have also called for development. Again they have criticised the level of the projected Consolidated Fund Balance which the Government has estimated for the next year.

All in all, Mr. Speaker, I think this is a budget which I would describe as an ambitious budget, it is a budget with an eye to the future, it is a budget and a clear indication that with this Government in office there are better things to come.

MR SPEAKER:

Does any other Honourable Member wish to contribute to the debate?

HONOURABLE J BOSSANO:

Mr. Speaker, perhaps before I get stuck into the matters that I want to bring to the attention of the House, I could just mention my reactions to the contribution of the Honourable Minister for Medical Services who spoke last. In a way I think it would have been better if he had spoken after I had because I am very fond of him and I do not like to have to say to him that it is quite extraordinary that he should claim in fact that the financial picture presented to this House of Assembly this year is the result of sound careful planning in the past by the Government. I suggest he reads the Gibraltar Evening Post of the 17th of February 1979, and he will see a banner headline there saying: £2M DEFICIT: PARITY IS NOT WORKING! So much for careful planning, Mr. Speaker.

I think in fact the Government took a line last year which I supported in fact, the Honourable and Learned the Chief Minister said in his statement on the Finance Bill when I had already reacted to the strategy the Government was developing: "I am glad the Honourable Member on the benches opposite" meaning me, Mr. Speaker, "who is generally recognised as having particular expertise in economic matters concurs in our views that there exists this year a need for consolidation and for the strengthening of the reserves." I agreed with the Government last year that there was a need for this. I thought it was a wise thing which the impact of the economy of Gibraltar, of the possible opening of the frontier in June had such a massive question mark that it could have made reserves that would have made even the ones that we have got today look silly, or in fact quite the opposite. I thought it was absolutely right the Government should take the line that they

were taking and in fact it is the result of my view of that policy of strengthening of reserves and consolidation that we are seeking this year. Not of any sound longterm economic planning but in fact of a particular political decision which I supported. I supported it in fact last year and I was heavily criticised by the other members of the Opposition, by the Honourable and Learned Member in fact, for taking that line. He said at one stage that I was not being consistent in that I was not supporting for example the £100 increase in personal allowances. I agree that the £100 increase in personal allowances, had it been introduced last year, would only have made a difference of £½m in the reserves this year which would have been neither here nor there. The decision had to be taken 12 months ago and the political judgement had been exercised 12 months ago, and 12 months ago we did not have the picture of the reserve which we have today. We had a different picture. And on the basis of those figures, even though all of us in fact mentioned certain things that were not taken into account, one of them for example, the private sector pay review, the other one the question of the amount that was estimated, as the Honourable the Financial and Development Secretary has said again this year, an estimate without prejudice to the outcome of the eventual pay negotiations, but an estimate which effectively proved to be on the low side as we saw when we had supplementary expenditure earlier this year, or rather towards the end of last year, Mr. Speaker, supplementary expenditure providing something like £450,000 extra for the settlement of the 1980 Pay Review. Well, of course that has had its effect on the revenue side and the private sector review had an effect on the revenue side.

One must look at each year in the context, I think, of what the Financial Secretary tells the House has been the background to the figures. I think we have to, in fact, go by what he says, we have no other option, whether all the Financial Secretary's have all been mistaken or they have all been correct as the Chief Minister said, all these years, the picture they present to the House is the picture that the House has got to go on.

There are two things which I think are important in the context of this year's figures which should make the outcome much closer to the figures that we have, than was the case this year, and that we anticipated last year would be the case: one is that the Honourable Member has told us that this year he has included a hypothetical figure in his revenue yield in respect of the private sector Pay Review which was not done in 1980, and was not done in 1979, we were told it hadn't been done in those two years. The other thing is that depending on the outcome of the pay negotiations in UK the figure that has been put in is likely to be either very close or perhaps slightly over the odds, because we know that in the United Kingdom the Public Services Unions are involved in a dispute which has been going on for a considerable time now and looks as if it is likely to last quite a bit longer, possibly until the end

of June when the industrial's pay review comes up, because the Government will not breach a 7% ceiling.

Last year the settlements were around 18%, Mr. Speaker, and in fact we saw that the figure that was put in on the expenditure side and the estimated yield of the revenue side have both been updated by increases on both sides of the equation. In actual practice the figure, unless there is a U-turn in the United Kingdom, after all the U-turns we have been hearing about here - and I certainly for one would be delighted to be told that the British Government had made a U-turn, I certainly wouldn't castigate her for doing it, I suggest that when the Honourable and Gallant Major Peliza goes over there he tries to encourage her to make a U-turn - I think that unless there is a dramatic change of policy by Her Majesty's Government, and we have seen that in spite of the fact that there are predictions of unemployment reaching the 3m mark, there are still voices in the Government calling for even bigger cuts in public expenditure that can only produce even more unemployment. So the economic strategy of the British Government shows absolutely no signs of being altered and consequently, to the extent that that has an impact in Gibraltar through link with wages in Gibraltar, I think the rate of inflation in Gibraltar is to some extent determined by the rate of inflation in UK, but only in as much as inflation in UK is generated by increases in production costs which affect both goods produced for the home market and goods produced for the export market. To the extent that inflation in UK is a result of a deliberate fiscal and economic policy that shifts taxation from income to expenditure, which is effectively what is happening with a switch from direct to indirect taxation, that has an inflationary effect which affects the domestic market only, and this is why I think in the last year we have seen the relationship between the United Kingdom inflation and the Gibraltar inflation in fact being, if not broken, certainly becoming quite disparate and to our benefit. In fact we are seeing a situation where the benefit of having a link with wages and salaries in UK has been enhanced by our having a lower rate of inflation than the UK. Because if we get the same increases obviously as they do and we can keep our rate of inflation down, then we increase the purchasing power in the domestic economy of that same amount of money. So I think the position of the economy, Mr. Speaker, and the Government position is a strong one and it is a strong one consistent with the philosophy expressed last year of consolidating and strengthening the reserves.

I cannot as I said in my earlier contribution, Mr. Speaker, agree with the Government that there is a need this year for the continuation of the same policy. In my view there is a need for doing what the Honourable Minister for Medical Services was saying was being done, which I don't think is being done, and that is for an enormous programme of economic

expansion. Now, it is difficult to judge to what extent we are going to be following such a road or not in the absence of knowledge of the contents of the Development Programme. Clearly the road that the economy is going to follow for the next five years is going to be primarily determined by the size of the Development Programme, by the nature of its financing, and by the nature of the projects that are included in it.

And there are basically, as I see it, two types of projects. I would remind the House of what I said last year in terms of how we think in my party economic policy and fiscal policy going together, we see a need for having a programme for work creation, a need for having a fair system of taxation that taxes us well in order to distribute it, to meet social objectives. But the work creative part of it is vitally important. In coming to rents, in coming to the proposals for a new tax system, in coming to a policy on water charges, Mr. Speaker, one I think, must react not simply by saying, well you know 80p more a week or 80p less a week is not going to affect people all that much. In fact in terms of the impact of the average citizen in the street I think this budget will be seen as a not too unpleasant budget primarily because people associate budgets with unpleasantness. They think that all that the budget is there for is to tax them more and, therefore, if they are taxed less than they expect, or if there is a reduction in direct taxation which is going to put £3 or £4 more in the pocket of the average wage-earner, which is going to be sufficient to meet the extra that he is going to pay in rent and the extra that he is going to pay in water, then clearly he is going to feel he has got off lightly in the budget. But I think we in the House are not here just to reflect a sense of relief as taxpayers that we have got off fairly easily, but to think seriously in presenting a reaction to the Government's proposal as to whether we would want to do the same thing in Government.

Now I accept the point that the Honourable Mr. Perez has made in criticism of my colleagues in the Opposition as regards questioning what their alternative policies are. I don't think that they have really claimed to have a fundamentally different ideological view from the Government. In fact in more than one occasion what they have said is that if they were running the show they could run the show better, but that they would want it to be basically the same show. I don't want it to be basically the same show, and I think there is a fundamentally different approach.

In terms of, for example, Mr. Speaker, the question of the financing of the so called Funded Services. I must come back to a point that I have made in the past on this issue. The Financial and Development Secretary I believe in his statement, I think it was on the Finance Bill, made the distinction

between the increases in charges for water and the increases in rent, and states as an obvious fact that of course these are not fiscal measures, these are in fact simply increased charges for services provided by the Government to consumers. Now I know this has been stated on a number of occasions in the past, Mr. Speaker, but one doesn't make something come true simply by repeating it every year, I wish it were so, if that were the case I would have had a greater number of things that I have proposed from this side of the House accepted by the Government because I tend to repeat them every twelve months, so the fact that the Government says that there is a distinction between the Funded Services and the Government provision is only true because the Government chooses to make it like that, not because there is anything fundamentally special about it. If the Government is saying, right, we are providing electricity and people who consume electricity should be required to pay for what they consume, and we are providing water and people who consume water should be required to pay for what they consume, fair enough, but essentially the Government is providing public security by having a Police Force, is providing fire protection by having a Fire Service and the only reason why we feel or we accept that the Fire Service should be funded out of taxation is presumably because it would be a cumbersome system to charge people per fire and in any case it could well be that the consumers of the services would not be in a position to pay if they actually went up in conflagration. So it is obviously better to charge them for not having fires than to charge them for having fires.

HONOURABLE CHIEF MINISTER:

In the old days the Insurance Companies used to contribute towards the running of the Fire Brigade.

HONOURABLE J BOSSANO:

Yes, there is clearly an element of insurability in paying through taxation for adequate protection against risks.

In the case of the consumption of water and the consumption of the other utilities, and also in the provision of Government rents, and I want to devote more time to this area, Mr. Speaker, than any other part of the budget, because as I mentioned in my contribution on the Expenditure Estimates it is quite clear that the whole House is of a like mind in saying that this is the matter that has to be given the greater priority in our consideration, and as well as being a social problem and it is a social problem in terms of the people who are without a house, but it is an economic problem in arriving at a solution. It is an economic problem in asking ourselves how do we produce the necessary resources to provide the people who need a house with a house. I accept what the Honourable and Learned the Chief Minister has to say about wanting a reaction from the Opposition as to their policy on Housing. I am prepared to provide such a reaction.

I think there are a number of things that we need to consider, Mr. Speaker. I mentioned the figure of 70% as being the figure of Government owned houses. The figure given in the Abstract of Statistics for 1979 was 65.6% Government rented, and of that 29% of the Government stock, almost a third of the Government stock in fact was pre-war housing. Now, we are, therefore, talking about a situation where two thirds of Gibraltar is living in Government housing and of those two thirds, in fact 50% of the two thirds, being in pre-war housing and possibly expecting to either be re-housed or to have their house brought up to a necessary high standard. Now this shows the seriousness of the problem, because even within the people already housed not just among the people who may be waiting for a house, we have a situation where the long term strategy for housing must be one that is economically viable. We cannot just say, well this year we are OK we have got £8m, we can afford to house so many people this year, next year we are in a chaotic situation on the verge of bankruptcy, we do not house anybody this year. In producing long term physical assets, which is what housing is, we must have a long term economic strategy to ensure that we can maintain those assets and eventually replace them. It isn't just enough to keep on producing houses we have to think how future Governments - we can't just look from one election to the next - future Governments are going to cope with a situation of a burden of house replacement and house maintenance. Now it is an extremely difficult situation but I think an indication that has to be found is in the figures given in the Family Expenditure Survey of 1980. There the figure shown of household expenditure being devoted to rents, including in the element of rent because this was a sample survey of 220 homes which included a proportion of owner/occupier, privately rented, furnished and unfurnished, the global figure in spite of it being a cross section of the community, was 4.3%, Mr. Speaker. In fact the figure for rents and rates in the 1980 survey was I believe £5.26, something like that, and the figure for painting and wallpapering houses was £3. something a week. So people were spending almost as much in the acquisition of the house as keeping it painted and wallpapered. Now there is something fundamentally and economically wrong with that sort of relationship, and that is what we have to devote our attention to.

Now in this context I would bring to the attention of the House one element in the budget today regarding the question of allowing for tax purposes the expenditure on plant and equipment to be depreciated 100% in the first year that the asset is purchased. Clearly this is an economic measure as opposed to a fiscal measure. This isn't just a way of giving people back tax because under the existing law the asset would be depreciated any way, I think it is at the rate of something like 25% on the reducing balance on the value of the asset. What one is doing is providing an economic incentive in order to make people invest more, or to bring forward investment, one of the two. Now this shows how you can use the tax system

to achieve specific economic objectives as opposed to purely revenue raising fiscal objectives. And I believe that in looking at the tax structure in depth this is the sort of criteria that we must apply to our system of taxation, to our system of rents and so on, that is that our overall policy as reflected in the budget must be an indication of an overall economic study which I would submit to the House as indicated in this particular instance. But this is the only instance in all the Finance Bill of such an economic policy.

In the case of the in-depth study of the income tax structure I must say, Mr. Speaker, that notwithstanding all these computers, I must tell the Honourable the Financial and Development Secretary that in fact the income tax structure has not been changed because in fact all that he has done is possibly to put through the computer a model of what would the yield be if I raised allowances by £200, and what would the yield be if I raised it by £500, and got different answers, and then decided which was the best combination of amendments to the bandings and amendments to the allowances to achieve a given drop in revenue yields and ensure that the lost revenue, if one likes to put it that way, would go to the people the Government want it to go in preference to another income group. Now that does not alter the tax structure in any way. That is using the same tax structure we have got today but simply shifting the effect of the tax measures from one income group to the other. Now I think that it is important to continue, as the Government has stated it will do, this in-depth study of the tax structure, and I would say it should not be limited to income tax, it should be looked at completely, I think it is possible with any income tax structure and with sufficient ingenuity to avoid any tax on income by shunting it from income to capital gain. I mentioned in my earlier part on the expenditure side, Mr. Speaker, the need that I saw on the part of Government to take a serious look at this business of taxing capital gains in the cases of property because there has been an enormous inflation in the prices of property in Gibraltar. I think that it is iniquitous that a property-owner should be able to make colossal gains simply because there is a shortage of accommodation and because there is increasing purchasing power in the hands of consumers. And I feel particularly incensed about it, Mr. Speaker, because when I think of my efforts outside the House as a trade unionist to obtain higher wages and salaries and then all that is going to happen is that because people can afford to pay more you are going to have a number of people chasing the same units of accommodation, then it is not a question of the law of supply and demand having an effect, because the supply doesn't increase, the supply is static and for a minimal increase in the flow of extra accommodation being produced but the effect is being felt all along the line in all the properties that are not rent-restricted.

Now the rent-restricted properties themselves in fact are in many cases completely unfair as far as the landlords are

concerned. The Honourable and Learned the Chief Minister in fact in his statement in the Budget of 1979 said that there was going to be legislation introduced to limit increases in the rents of post-war flats which were not let furnished to 16%, on page 7 of his statement of that year. I don't know if this has happened but I certainly do not recall having seen the legislation introduced since then, and it is now 2 years since the Government said they were going to do it and they certainly gave me the impression that they were proposing to do it in that budget because in fact the Financial and Development Secretary mentioned it in his speech and said that it was not included in the Finance Bill because it would be done under separate legislation. Now this has not happened yet. I can assure the Honourable Member, he may well know himself of specific cases, but I certainly know cases where the increases since he made that statement have been 100%+. On the other hand you have got people who are paying perhaps for reasonable accommodation extremely low rents and who say they haven't gone up at all. I, therefore, think, Mr. Speaker, that to say, right, we are going to introduce a 20% increase in rent which is going to affect the 65% of the population that lives in Government housing without the House being told what is the overall policy on the question of rent is something that I cannot support or accept, and certainly, although I do not think that the system that we have today is fair to either the landlord or the tenant, I think it penalises in fact the reasonable landlord and the reasonable tenant and protects the unscrupulous landlord and the unscrupulous tenant, I think as regards Government rents the reality of the situation is that the need has been pointed out and recognised by Government itself in past contributions on this subject in the House and by the Government's experts in the last City Plan, the need to move towards ensuring the subsidies go to those who need them rather than on overall subsidy for every Government tenant regardless of means. That is the way that we have to move. There is no other way. But in the absence of that move to increase rents - and I accept that the Government has not said that it is increasing rents either to finance the reductions in the income tax bill or to bring up reserves to a particular level or for any other reason other than it thinks as a matter of policy there should be regular rent reviews, and I would certainly say that as a matter of policy it is certainly better to have regular rent reviews than to have no rent review for a very long period of time and then clamp 100% increase on people, I think certainly if one has to choose between the two systems then the system of regular small increases is easier to absorb and preferable for a whole range of reasons not least of which is the fact that the people get used to expecting a relatively low proportion of their income to go on rents, then they get used to a pattern of expenditure which we have seen reflected in the Family Expenditure Survey which has to be changed afterwards because they expect to have 94% of their whole household income for things other than rents.

It is not going to be an easy road to follow, Mr. Speaker, but I think it is a road that the House needs to encourage and make clear in terms of the economic necessities of the situation, in terms of being able to provide the quality and the quantity of housing that Gibraltar needs. I think, Mr. Speaker, that in terms of the points made regarding the need to finance the increases in water through charges on water consumers I can only go back to my submission, I think it was 1978, which the Honourable Mr. Featherstone found very amusing at the time, of looking at marginal costs in terms of charging for water. And I still maintain that if we have a situation where a proportion of our water is very cheap and then increases in demands for water produce high cost water to meet that increased demand, the supply of water after a certain point increases in cost because of the need for distillation and for importation, then it is the domestic consumer that is entitled to the supply of the cheap water in the first instance. Now the Government although they rejected my thesis completely at the time I think made a move in this direction last year when they said that they were passing the whole of the increase cost of the supply to commercial consumers at a reduced cost, that is a subsidised cost, to domestic consumers. The policy that I advocated initially went further than that, Mr. Speaker, and I remind the House that since I do not make U-turns I am still of the same view today as I was two years ago.

HONOURABLE CHIEF MINISTER:

If the Honourable Member will give way. The only point is that there are no natural resources this year, because there has been no rain.

HONOURABLE J BOSSANO:

Well fair enough, Mr. Speaker, but I don't think that one should because of a slight hiccup in the Honourable and Learned Member's water diving powers which have failed him this year.

I do not think one should change one's own long-term strategy of water supply! Perhaps it can get better again next year. If he gets to work on it early enough throughout the summer then perhaps he can ensure that we have got the water in the winter like he has always done in the past. I think that if he really wants to get for his party that popularity which he claims to have he must really get back to his old City Council days and produce water for us every year otherwise I am afraid...

On this question of U-turns, Mr. Speaker, now that I have been reminded of it, let me say that I know we have heard a lot of it this year, I think it is a reflection of the popularity that the phrase has achieved in political circles in UK. I mean I myself have been accused of being inconsistent in the past but not of doing U-turns because it was not popular then to use the phrase U-turn. I draw a distinction between what one can expect the Government to do in terms of altering its policy depending on the motivation that bring about those alterations. And let

me say that I can quote two specific examples I think. One which I came across by accident this morning in fact when I was looking for something else, was an occasion in November 1977 when the Honourable and Learned Chief Minister got very annoyed with me, and said: "I hope I see the day when I can see Mr. Bossano in Mount Alvernia with multiple sclerosis and I can go as a strong man to visit him. By that time the Trade Union Movement in Gibraltar will have got rid of one of its greatest troublemakers." I would say that with the benefit of hindsight the Honourable and Learned Member has changed his opinion of me but not that he has done a U-turn, because I think that he was saying something that would not have made him politically popular then and that if he has changed his mind about me it doesn't necessarily make him politically popular today.

HONOURABLE CHIEF MINISTER:

I think, if the Honourable Member will allow me, I think that followed something very cruel that the Honourable Member said and I regretted saying many times, not because of the philosophy behind it but because of the unintended suggestion of any ill coming to anybody.

HONOURABLE J BOSSANO:

Well if I had been very cruel perhaps, Mr. Speaker, I have read what came before it. What came before that was that I said that if the Honourable Member was now too old to be in politics he should be in Mount Alvernia. I accept that that is probably a very cruel thing to say.

HONOURABLE CHIEF MINISTER:

The fact is that four years later he has been found to be wrong.

HONOURABLE J BOSSANO:

Oh, yes, I accept that, I was mistaken, that the Honourable and Learned Member is still as strong and as healthy as ever, and I am glad to hear it. I hope he has many years of active political life ahead of him.

HONOURABLE CHIEF MINISTER:

Thank you.

HONOURABLE J BOSSANO:

But as I say, Mr. Speaker, that is one example where I would not accuse the Honourable Member of having done a U-turn. The other example is of course I think the line that the Government took on the question of parity and which they themselves, I was impressed by the integrity of the Honourable and Learned the Chief Minister, in accepting that perhaps inadvisedly the

Government's views and predictions about parity and its effects have been proved to be incorrect. Now I don't think that is a U-turn, to sincerely support one line of action thinking it to be the best one for Gibraltar and to admit that one is mistaken when it is patently so is not in my judgement to do a U-turn. To do a U-turn, Mr. Speaker, is in fact to be forced by political circumstances in order to win votes to do something that one considers to be wrong. It is not to have changed one's judgement about a situation but to change one's policy in order to sail with the wind, and I certainly will condemn that sort of philosophy in this House of Assembly because I think that sort of philosophy would be disastrous for Gibraltar. If the present Members of this House, whichever side of the House they are sitting on today, are concerned about the service they provide to those who have placed trust in them and voted for them into this House, then I think the important thing is not the degree to which we are in disagreement with each other but that in our views we are expressing honestly and sincerely what we believe to be the best way to conduct Gibraltar's affairs and that we should be open to persuasion by rational arguments by other people. To accept rational arguments is not in my judgement to do a U-turn, to do a U-turn, Mr. Speaker, is what I was forced to do in 1973 when I was forced to vote against the Government's increase in electricity charges after having stood up and said that they were welcome, because I was told that what I was doing was the direct result of my greenness in politics and the fact that I had only been here 9 months. Now, I don't accept that philosophy. I am glad that I no longer have to subscribe to that philosophy and I comment my liberation from it to other Members of the House.

Therefore, Mr. Speaker, it is important I think that we should look to the financial strength of the reserves, the financial strength reflected in Government estimates, as something that is good for Gibraltar and not as something that is good for the party in power today. If it is good for them or bad for them is of little consequence really. If I had to have as a matter of choice a weaker economy and a Government that had less chance of being re-elected, and a stronger economy and a Government that had a better chance of being re-elected, then I would opt for the stronger economy not because I want the present party in power to stay in power, I want the GSLP to be the Government of Gibraltar, but I would certainly prefer to inherit a strong economy in 10 years' time than in one year's time. So that is the essence of the logic. And the essence of the reaction to this budget must be that, and I think that in the way that the Honourable and Learned the Chief Minister introduced his statement to the Finance Bill, I suppose possibly because he was expecting a more violent reaction that he has obtained from the Leader of the Opposition, either because of the experience of last year's budget or perhaps because of some of the things that went on on the Expenditure Estimates, nevertheless, I think that the way that

the Honourable and Learned Member has reacted to the Finance Bill shows, I think, that he also shares in fact the satisfaction at seeing the reserves better than we all expected them to be 12 months ago.

Having said all that, Mr. Speaker, let us not for one moment give the impression outside the House of Assembly that the coffers of the Government are bulging with money and that in fact we are about to go into a bonanza of giving away cash like confetti. Let us not forget, and I think the Honourable Mr. Perez was guilty of forgetting this in his own contribution when he said that now the Government was in a very strong position to enter into an expenditure programme of £15m on the I & D Fund, let us not forget a number of things. In my statement in 1980, Mr. Speaker, when I was defending the philosophy of strengthening the reserves, I said, "The reserves themselves," this is on page 268 of last year's Hansard, "are not excessive by past standards. The projected reserve of £5.5m must of necessity be seen in the context of a number of factors, in the context of the figure that the amount is there in money terms." That is that one must expect the figure for the reserves to be continually updated purely because with the same amount of money you can buy less and less every year. So just to be able to have the same purchasing power the reserves need to go up. Secondly, another element of that inflationary situation is the element of unpaid bills, even if the bills are three months bills, three months bills every year means more money. And this is something that every business in fact finds, Mr. Speaker, in terms of cash flow. Every business knows that its debtors and its unpaid bills acquire an increasing cash value every year and although they be included in the assets of the balance sheet in fact they can be a serious problem in terms of liquidity for a business. In this year's figures we are talking about I should think something like £2½m, and as I mentioned earlier, Mr. Speaker, there is another £1m which does not appear but which is also owed to the Government.

The third element I would point out in assessing precisely how strong our financial position is is of course that we have had very little reaction in the House to what in most Western European Parliaments today would be seen as a catastrophic policy, which is a trebling of the National Debt. We are talking about going from a National Debt of something like £7m to a National Debt of £21m, and that in any other Western European Parliament today, with the economic philosophies and the economic theories current today in Western Europe, any Government even hinting at anything like that would be absolutely crucified. We have not had a reaction really I think to the implications of that in this House of Assembly. Let me say that I do not share the current economic doctrines and consequently I think political decisions that are being taken today are being taken on an erroneous understanding of the way economic variables function. I think regardless of the immediate effect of the present crisis in Western Europe the reality is that financing

long-term public expenditure through loan capital, which I have advocated in this House since I arrived in 1973, makes as much sense today in 1981 as when it was widely accepted in 1973. But today it is not widely accepted, except in very recent circles I must say that I have come across some attempt somehow to marry monetarist theories and Keynesian theories and say, well, in a situation of massive unemployment there is some logic in increasing public expenditure but for long term investment and not for recurrent expenditure.

Now I am saying this because in terms of the expenditure programme that we are talking about, and we are talking about spending £55m over the next twelve months which is quite an extraordinary achievement for a place the size of Gibraltar, we are able to do so because the Government is going into financing of long term capital investment through the raising of loans. The Government accepted this philosophy I think it was really in the 1978 budget, I think it was in the 1978 budget that the Government indicated its intentions of following this road after having resisted my advice on the subject in the 73, 74, 75, 76 and 77 budgets. We are now about to enter this road and clearly it is important that the surplus of recurrent expenditure, or the surplus of recurrent revenue over recurrent expenditure, that is the surplus on the workings of the year, should be understood and seen not as money that we have got left over which either is being kept in reserve because we haven't got anything to use it on at the moment, or else save it for a rainy day, they must be seen as an essential element in the alternative policy to that which was practised until 1973 of financing development expenditure by contributions from the recurrent budget. In 1972, Mr. Speaker, in October 1972, the House approved a supplementary vote retrospective to the financial year 71-72 of £½m. It was originally a figure of £200,000 and it was increased to £½ m. Now if we think that that was 10% of the then recurrent budget in 1972, in the first matter of financial and economic policy in which I made a speech in this House, the House voted what was 10% of the then recurrent budget as a contribution to the Improvement and Development Fund. A similar decision today would require us to vote £4m, which is the entire amount of the surplus for this year. The whole of the surplus would then have to go into the Improvement and Development Fund. Now the beauty of long term development finance is of course that £4m, if we anticipate is going to be something that we are going to have there every year, we can then say, right we can now afford to spend, say £35m this year, because we are going to have a flow of income of £4m with which to service the £35m. And not only that, the £35m that we invest this year will itself generate new income. So to a certain extent there is clearly a similarity in terms of economic strategy between the Government doing this and what the Government is encouraging the private sector to do in allowances for capital investment to be brought forward one year. Now, therefore, in terms of economic strategy I agree entirely that that is the way that it needs to be done that it needs to be financed, and that in assessing our economic strength one should not be

misguided into thinking that we have got a situation where there is too much money, because I do not believe that to be the case.

In fact I will remind the House that in talking against the proposals last year for reducing taxation beyond the measures originally proposed I said to the House that one can only talk about reducing taxation in net terms, if one is not just simply shifting the burden of taxation from one form to the other or from one group to the other, because that does not alter the total level of taxation it just alters the component parts, but if one is talking about altering the total level of taxation then effectively one is saying that there is nothing left for the Government to do with its money. That is that the Government has now exhausted all the possible improvements that it wants to carry out and that therefore all it can do now is give people money back. Now I think it would be a considerable time before any Government should be in that very happy position. What any Government should aim for and try to do effectively is to have a target for economic growth, to ensure that without having to come every 12 months and introduce new measures of taxation there is a sufficient revenue yield, that there is sufficient cash flow, for the Government to meet its own commitments. And, therefore, rather than relying on a fiscal policy which is renewed every 12 months in order to meet its on-going expenditure programme, the Government would be relying on its management of the economy to generate the funds that it needs with the existing measures of taxation. So that it would be relying for example if one looks at the tax structure, it would be relying on creating, say, opportunities for more women to work, or creating opportunities for people to acquire higher skills, and consequently increasing the national income that way, and, therefore, policies which might apparently be labour policies, or apparently be educational policies, would, through their economic impact, provide the Government with increased revenue which would enable it in a year's time to be able to come to the House and say, well, because we have undertaken these measures the result of it is that the earnings in Gibraltar have gone up by 20% and the yield in Gibraltar for income tax purposes has not gone up by 20%. Now that in fact is not increasing the burden of taxation on people, Mr. Speaker, that is increasing the economic horizons for people, giving people an opportunity to produce more and to earn more and to achieve a higher standard of living, and, whilst contributing the same proportion of their income, to make a bigger contribution in cash terms. This is really where the Government should be thinking of moving and the way that they should be developing their economic strategies.

MR SPEAKER:

Well that is the end of your particular explanation of your strategy as to how the economy should be run. It is just about three minutes to five and perhaps we should now recess until tomorrow morning at 9 o'clock when you can continue your address.

THE HOUSE RECESSED AT 5.00 P.M.

WEDNESDAY THE 29TH APRIL, 1981.

THE HOUSE RESUMED AT 9.10 A.M.

MR SPEAKER:

Well I will then call on Mr. Bossano to continue his contribution to the Second Reading of the Finance Bill.

HONOURABLE J BOSSANO:

Mr. Speaker, I wanted to deal this morning with the contribution made by the Honourable and Learned Leader of the Opposition, which I think fitted next into what I wanted to say before I went into details on the specific measures in the Finance Bill that the Government proposes to introduce. But I think I will wait a bit to do that part in case Mr. Isola turns up, although it follows more logically at this stage, but I will come back to that because I would like him to listen to what I have to say about some points that he made which I cannot agree with.

Mr. Speaker, at the beginning I said that the Government tax structure presented to the House and withstanding the fact that it has been described by the Honourable and Learned the Chief Minister as a very elaborate and involved exercise, in my judgement in fact, it is not a reform of the tax system but simply an alteration as to incidence of tax.

Now, the Honourable and Learned the Leader of the Opposition remarked that the reduction in tax payable effectively goes up in cash terms under the proposals made by the Government and this might be something that I would find unpalatable. Well in fact he also correctly stated that it is an inevitable consequence of any progressive tax system, that if you introduce measures to reduce tax liability, you are bound to produce a system which will result in a bigger drop in tax payable in cash terms at the top of the scale rather than at the bottom unless in fact you go a very long way to claw back at a certain point in the scale the effects of the reform you are introducing because you don't want them to operate above a certain level. And if one looks at say the married couple effect in the figures presented by the Government, and let me say, Mr. Speaker, that I haven't set the figures myself I am assuming their mathematics correct, of course although we are talking about a £40 difference at the bottom and £660 difference at the top, in percentage terms we are talking about a 40% reduction in tax liability at the bottom, and that is expressed in the £40 as a percentage of the tax payable at present, and 11% at the top. I think this comes about because the Government correctly has gone about widening the tax bands rather than putting the reductions on personal allowances because by increasing personal allowances the effect is on the marginal rate of tax, and clearly the higher

ones marginal rates the greater the benefit one gets from an increase in personal allowances. I think it is important that this should be understood outside the House otherwise we can get a reaction of people thinking, well, all that has happened is that personal allowances has gone up by £100, which was the figure suggested by the Opposition last year, and I think it should be understood that in fact giving away if one likes tax in terms of personal allowances is not the most progressive way to go about it, is not the best way to distribute income, because the person paying 50% will get a £50 saving and the person paying 20% will get a £20 saving out of £100 increase in personal allowances, whereas if one increases the band say at 20% from £500 - £700, then the tax saving is £40 for everybody.

One thing, however, that I find effectively, in comparing the table that has been produced for the married couple and the table that has been produced for the married couple with one child, that in terms of tax payable the reduction seems to bear no clear-cut relationship between the two, and I imagine that this is because of people moving into the different tax bands at different points, but effectively if one looks at it if one can see the rather anomalous situation where for example if one compares the tax reduction for a couple and the tax reduction for the couple with one child, starting at the bottom, in one case it is £40 and in the other case it is £50 which means that the couple with one child will be saving £10 more in tax at the level of £2,000 and then it goes £15, then £3 then £18 then £5 and then in the case of the £8,000 in fact the tax saving is bigger if you don't have a child than if you have a child. It does seem in a way that this reflects, I think, what is an omission in what the Government has tried to do and that is to help and that is to help more the family unit with dependant children, which was, I would remind the Honourable and learned the Chief Minister, something that he drew attention to in last year's budget. And when he made reference this year to what the Government had done last year on tax I think it said, quite correctly, that last year in paragraph 6 of his statement he said; when he was defending the Government against the accusation that they had been responsible for a U-turn, he said "In 1979 we introduced an income tax family allowances package which considerably improved the position of the middle and lower income groups. In 1980 we introduced family relief in terms of income tax for those with family commitments. This year with a healthier financial position we feel able to go further in this consistent policy and provide relief which even after our revenue raising measures will mean ....." and so on. Now I think in fact that this year he is not being consistent in that sense, in the sense in which he mentions in that paragraph, Mr. Speaker, because he says specifically that in 1979 the Government produced a package intended to help family groups, and in 1980 they continue with the policy of helping those with family commitments and he says he has gone further with this policy in 1981. They haven't gone further with this policy in fact because that is the one omission this year, that they have

done nothing on the Family Allowances and they have done nothing on tax allowances specifically for people with family commitments. Now I mentioned in my earlier contribution that the Government should look at the possibility of going some way towards meeting the representations made by immigrant workers that the 1979 package effectively altered the incidence of tax from the resident worker with his family here on to the immigrant worker with family responsibilities but without the opportunity of having his family residing with him in Gibraltar. At one stage in fact immigrant workers were pushing for family allowances to be paid to them in respect of children not residing in Gibraltar. I can tell the House that having met with the Association that represents these workers I told them that I could not support politically such a move because that was economically impossible for us to meet, and that it would be wrong for me to mislead them, and I think they have been misled in the past by other people who indicated to them that all they had to do was to shout about it and they would get it, and I was not prepared to do that. But I did say and I gave them a commitment that I would raise in this House the question that if there was going to be a tax restructure to look at their position in that context and if we were going to have some opportunity to reduce somewhat the incidence of taxation then we should see to what extent something could be done to help them. I was not suggesting that we should go any further in the context of the amount of money we have available than perhaps a partial restoration of the pre-1979 position. And in saying that of course that would also be of some benefit to the family man in Gibraltar who is not being helped this year through family allowances.

Now the House will recall that in 1979, before the Government shifted over to what is virtually the UK system, which is towards payment of child benefit as opposed to having a system of allowances under the Income Tax Ordinance, I proposed in a motion in the House before the Budget that we should retain the dual system in fact, that we should have income tax allowances perhaps pegged at the level that they were of £100, and have Family Allowances increased and made taxable. That was the proposal put forward by my party. We think that although it does involve administratively a certain amount of work because the Family Allowances introduce a tax liability at the end of the year, and although it is an unpopular thing, people do not like finding that they have a tax bill in respect of Family Allowances, nevertheless it is better to concentrate in our judgement the amount of money available on those who need it more. But I accept that in moving towards this thing there are important advantages from an administration of the income tax law point of view and from the resistance of people to finding at the end of the year that having spent all their Family Allowance they have now a tax liability. I accept the logic of that, Mr. Speaker, although from a social justice point of view, clearly if you have got X amount of money to distribute in terms of Family Allowance, it is better to have

a higher Family Allowance taxable than a lower Family Allowance net, because, that pushes more of it onto the lower income group.

So that is the point that I am making and I have drawn the attention of the House to the way the tax affects the married couple with one child and the married couple without dependant children, because that is one of my objections, if you like, to the Government proposals and one which in the context of the Honourable and Learned the Chief Minister's desire to prove consistency I felt I was entitled to mention in that paragraph.

Mr. Speaker, perhaps I can just revert to my original programme now that the Honourable and Learned Member is able to listen to what I have to say.

HONOURABLE P J ISOLA:

I may be here but I may not be able to listen.

HONOURABLE J BOSSANO:

Well if he says he is not able to listen then I am seriously concerned to note that there is something wrong with his hearing, Mr. Speaker!

HONOURABLE P J ISOLA:

I may follow the practice of the Honourable Member, which he follows fairly regularly, and may have to walk out whilst he is speaking, but I won't.

HONOURABLE J BOSSANO:

Well, I mean, even if he walks out, Mr. Speaker, it doesn't stop him listening. Whilst his hearing is still good he can listen from outside because we have got a very effective system of relaying what one is saying on the floor of the House to listeners in the ante chamber, and of course, I want him to listen not necessarily to look at me, so it doesn't bother me if he listens from outside, I just wanted to know that he was within hearing distance that is all.

Mr. Speaker, I think in his contribution the Honourable Member for example said that the Government had agreed not to raise £172,000 through increased charges on the Telephone Account. Well, I don't think this is strictly true because I am not aware in fact that it is a proposal that has come from any other quarter to which the Government has agreed. It is a Government policy decision not to raise that money and it is up to us to say whether we agree with it or not. Now, I can understand that what the Government is doing is simply deferring the raising of that money presumably because they feel that it is better to raise it from those who use the telephone more than from those who use the telephone less, and that is something which they are not able

to do until the metering is done. Although it hadn't been put in those terms this is what I understood to be the position of the Government. I am not entirely .....

HONOURABLE P J ISOLA:

If the Honourable Member would give way. I think he has slightly misunderstood. I welcome the fact that the telephone charges are not being put up. I know the Government has said what it intends to do but, what they say they are going to do is not necessarily what happens at the next budget.

HONOURABLE J BOSSANO:

Well presumably at some stage they will have to do something about the telephones.

HONOURABLE P J ISOLA:

But they could, if they liked at a future date, on a change of policy, decide to make a budgetary contribution instead, couldn't they?

HONOURABLE J BOSSANO:

Yes, they could do that. I don't think it would be normal for the Government to do that, Mr. Speaker, because I think this is the one area where probably there has never been any disagreement to my recollection to the philosophy that the user of the telephone should pay for the cost of the telephone. I think it is very difficult to consider the provision of telephones as a social service. It may be that in the next twelve months the Government will come round to that view but in the seven years that I have been in this House I have never known any Government and in my recollection it was true also when it was run previously before the merger by the City Council, that it has always been a fundamental philosophy, whoever has been responsible for taking the political decision, that there is no valid reason for subsidising telephones and for providing it as a social service. Hypothetically, I suppose, the Government could decide that in twelve month's time, but I think that if we are going to react to Government decision making on assumptions as unlikely as that, then clearly our reaction to any measures would hold very little water. I think if one is going to introduce an element of subsidy in something like the telephones then clearly it should be aimed at a specific group. One could make a case for example that it might be considered socially desirable that elderly persons living on their own who might have particular need for a telephone should have a telephone without being required to meet the cost, the cost should be met by the community at large, but that to my mind would not be subsidising the telephone account and I would not agree for example that it should be subsidised by other telephone customers, just like for example on housing, on water, I think if we have, say, a

subsidy for the hotel industry that subsidy should be charged on the water account. To the extent that it is easier to identify in the case of telephones, there is a logic to it, but that of course is the logic that should really lie behind any subsidisation. If one talks of subsidies then one is talking of one sector of the community meeting the shortfall between what it costs to supply a given service and what the customer is being charged for that service. And if we are talking about transfers of income, which is essentially what we are talking about when we are talking about cost subsidisation, then the transfer of incomes must be framed in such a way that we are transferring income from those who have got more to those who have got less and not the other way round. This is one of my points on the question of the strategy on rents, that as it is today there is no identity between income and tenancy. And there is nothing to tell us, I suppose one might be able to extract those figures perhaps from the Family Expenditure Survey by doing some sort of cross-check on the details of the nature of occupation as between private rented accommodation and Government rented accommodation and the income levels, since the data is probably underlying the figures that we have got tabulated, there is probably some data behind that which might enable us to do some sort of exercise to show, but there is no reason why there should be any correlation, there is no reason why the lower income group, as it were, should be Government tenants and the higher income group should be private tenants, because the policy has never been to put an income ceiling as a condition, of say, entering the waiting list, and even if you put an income ceiling there is no reason why a person's income should not alter either up or down after he has become a Government tenant. So to the extent that it is Government tenants that are being subsidised by the general body of taxpayers, then the system has my support, because although it cannot identify the exact need it follows rationally that with a protective tax structure the element of subsidisation, the contribution towards the subsidy, is greater the more tax you pay, and clearly if you are a Government tenant with a high income to some extent, through your income tax, you are helping to make good part of the shortfall of what you are paying for your water, your electricity, or your rent. But because there is no identity between the Government tenant and the income group, and the private tenant and the income group, it is clearly possible and it must happen in many cases that people who are less well off than Government tenants are in fact helping to subsidise better-off people who are Government tenants paying lower rents than they themselves are paying in the private sector and they have to subsidise it through their tax.

Now in the case of the water and electricity accounts, this is not clearly so because everybody is a consumer of these services and consequently everybody is getting the same element of subsidy if one were to identify the subsidy as an item per unit, as a figure per unit, if one were to arrive at the average cost per unit and the average price per unit and the average subsidy element in each unit.

Now the Honourable and Learned Chief Minister has said in respect of that question of the level of consumption, both this year and last year that just like the Government has got to be careful as to how it spends its money then the individual consumer must be careful presumably as to how much electricity it consumes and how much water it consumes. Well I don't think this is strictly true. To be quite honest, Mr. Speaker, I think that it is very likely, because when the Government is talking about Government being careful with its money in that respect, I would say that it is very likely that in practice people employed in the public sector are less likely to be careful with the use of water and the use of electricity at work than they are at home. So I think if anything, because they pay for it themselves at home and they don't pay for it themselves in Government they are more likely to leave lights on and water running when there is no need for it. It happens all the time and one sees it happening all the time. So I don't think it is strictly true to say that Government is more careful in respect of its consumption in these areas than the private individual is. And I think it has to be recognised that generally speaking there is a correlation between the level of consumption and the family size, and, therefore, to the extent that one is reducing the meeting of the cost of these services by general taxation and increasing the meeting of this cost through direct charges, then we are shifting the burden of running those services from the better off to the less well off, because we are shifting it from the higher taxpayer, if you like, to the lower taxpayer and from the single person to the person with a family to support because the consumption per capita even if it is the same in both cases will be greater in the case of a family unit than in the case of a single individual. And it is for this reason that I feel that without some attempt to produce a different approach to the whole question of subsidies, where we are concentrating it and identifying it on the actual categories of people in need, then I will oppose reductions of the subsidy and support in fact increasing the subsidy, if anything because even though it is an imperfect system there are clearly parameters within that system which operate in the direction that I would like to see it operating.

Going back to the Honourable and Learned the Leader of the Opposition's contribution, again, Mr. Speaker, he said that we had a much bigger surplus than necessarily required. Now, I don't know how big a surplus is necessarily required or how big the reserves should be, all I know is that the theory as to how big they should be tends to fluctuate with remarkable concurrence with what they actually are. We find successive Financial Secretaries, going back I don't know how far, probably throughout the list produced by the Honourable and Learned Chief Minister, that the ideal level of resources in terms of weeks or months, tends to have an incredible coincidence with what the reserve actually happens to be at any particular point in time. So I don't know what is the necessary or required level.

HONOURABLE CHIEF MINISTER:

We have had years when we have been very badly off like 79, where we aimed at a reasonable reserve the following year.

HONOURABLE J BOSSANO:

Well in fact in 79 the Honourable and Learned the Chief Minister said that the figure was the bare minimum that could be accepted as reserves and that the Government was not happy with it. In fact the bare minimum in 79 was the actual figure and the bare minimum seems to be the bare minimum whatever the figure is.

Now, one point that I would like to make in relation to that. I mean I know what I would perhaps want myself but to some extent it is a question of professional judgement, what one would like to see as a figure for reserves, but one point I would like to make in relation to that is of course that in the United Kingdom one talks about the public sector borrowing requirement or the Central Government borrowing requirement, as the shortfall between Government income and expenditure that is meant by borrowing. Now we have had in the last financial year a borrowing requirement shown in the Improvement and Development Fund of I think £3½m. If one looks at the receipts in the Appendix, Mr. Speaker, £3½m, was borrowed in the year 80-81 in the Revised Estimates and we are planning to borrow £13½m in the forthcoming year.

Now if we go back to the surplus for this year of just over £4m and we take away what we have borrowed then in fact we have just under £1m as the amount that is left over, and if we look down that page and we find that we run the Improvement and Development Fund at a deficit of £1.2m, then we find that we do not have a surplus at all!!

So, depending on how we present the figures when we are talking about the surplus for this year had we met the cost of our capital works from recurrent revenue instead of by borrowing, we would then not have had a surplus this year. In fact when the British Government presents its own budget to the House of Commons and it talks about the borrowing requirements, and the budget deficit, what is now called a borrowing requirement in the UK is what used to be called a budget deficit before, I suppose it is a nicer way of putting it. So in fact there is no deficit in UK ever, because the deficit is always balanced by borrowing whatever you need to ensure that you have got sufficient money to make up your expenditure for the year. And this is essentially what we are doing in Gibraltar now, because we are meeting our commitments on capital works by borrowing and we are effectively showing a surplus only in order to build up a reserve which will go some way towards ensuring that we have got something there for the liability that we are building up for the future in terms of loan repayment. And clearly if we look at the forthcoming year, the estimated surplus of £3m must be set against the estimated borrowing of £13½m.

I note that the Government in fact last year in the Development Fund, met the deficit in the Fund effectively by allowing the Improvement and Development Fund to use the reserves as a temporary measure. I am glad in fact, Mr. Speaker, that this was done. I suggested last year at budget time that although I had for many years consistently advocated the use of loan finance for long term projects in a period of time when we were facing historically very high interest rates, it would be a mistake to borrow long term and find oneself then entering a period of falling interest rates, like we have done, with a commitment of very high finance charges because they have borrowed at the wrong time. I certainly wish that the Government had taken the decision to borrow 7 or 8 years ago when it would have been much easier to fund and would have been much cheaper to borrow. But in fact, Mr. Speaker, although I said that in the circumstances of last year's interest rates I would support making a contribution, a direct contribution, to the Improvement and Development Fund from the recurrent budget, I am glad that it has been done the way it has been done because that is better than what I suggested, because had we made the contribution then under the limitations of the financial procedures once the money was in the Improvement and Development Fund we couldn't take it out and use it for something else. It is something that had not occurred to me and I am glad that the Government has done it the way it has. I think it is better than what I suggested.

Mr. Speaker, coming now to the question of the Landlord and Tenant Ordinance mentioned by the Honourable and Learned Mr. Isola, I agree entirely that there is a need to revise the Ordinance, but I think there is even a greater need to implement the Ordinance while it is still in force pending revision, and I would draw the attention of the House to the letter that appeared in the Chronicle, I think it was, yesterday, a copy of which I have been sent, and to say that it must be unacceptable to the House of Assembly that we should have a piece of legislation on the Statute Book that somebody should obtain legal advice telling him that he is entitled to certain legal rights and that he should be unable to obtain legal redress, which he is entitled to by law, because the Tribunal that is supposed to be looking at this case has not had a Chairman for two years. Well that is totally unacceptable. I mean, either we scrap the law or we make sure that the machinery is there to see that the law is implemented. As members of the House to see laws disregarded, and there is an area there where there is a clear and complete disregard for the law, and which has been known for a long time to be so, and although I think the law is antiquated in many respects, I think that whilst we are thinking of changing it, and we have been thinking of changing it for a very long time, we must make sure that it is being complied with, Mr. Speaker. The Government has only got to look at its own expert advice on the subject where in the City Plan produced in 1975, Mr. Speaker, on page C4, with reference to the Landlord and Tenant Ordinance, it said that in fact although the dwellings are rent restricted as soon as they stay empty they are being relet furnished illegally. And it

mentions that this is widespread and that one of the reasons for it is that there is no machinery within Government to ensure that this aspect of the Landlord and Tenant Ordinance is adhered to.

Well, if we know that there is no machinery to ensure that this is adhered to, and we know that now for six years, we are effectively permitting the law to be broken with impunity. And I think that is a very bad thing for the House of Assembly. What is the use of passing laws here if we know that there is no machinery for ensuring that the law is going to be complied with and we are doing nothing to put it right. So I think that while I agree with the Honourable and Learned .....

HONOURABLE P J ISOLA

If the Honourable Member will give way, I think there is a Chairman for that tribunal mentioned in the letter of the Chronicle. To my knowledge there is a sitting due on May the 8th of the Rent Assessment Tribunal. I am involved in it, I know. There is a Chairman of this Tribunal mentioned in the letter of the Chronicle. The Rent Assessment Tribunal.

HONOURABLE ATTORNEY GENERAL:

My understanding is that there is in fact an appointment in existence at the moment. There is a question of whether the office or chambers which are providing the appointee, which is my own Chamber are the appropriate ones to do so. But I thought there was an officer who was holding office.

HONOURABLE CHIEF MINISTER:

Yes, but I believe there have been particular difficulties in that case mentioned of a particular nature affecting the suitability or otherwise of the Chairman.

HONOURABLE P J ISOLA:

I think he is the Senior Crown Counsel, I believe he is the Chairman. I have got a case with him next week.

MR SPEAKER:

I can say that from personal knowledge that the Rent Assessment Tribunal has met in the past two months.

HONOURABLE J BOSSANO:

Well, Mr. Speaker, I am going by what has been published. I think that if the information in that letter is incorrect then certainly it would be desirable that the thing should be corrected for public knowledge. I think it is very bad that somebody should allege that in trying to obtain redress under the law, that he has got legal advice to say that the law is on

his side, and that he cannot obtain it because there is no Chairman for two years. I think that it is scandalous if that is correct, and if it is not correct I think it is important that the public should know that it is not correct.

HONOURABLE ATTORNEY GENERAL:

It is not correct that there hasn't been a Chairman for the last two years. I know that is not correct.

HONOURABLE J BOSSANO:

If it is not correct then it is not by very much? I think that that is a more substantial indication, really, because the Honourable Member, I am sure, would not wish to say that, being a Member of this House, where somebody affected outside might not give the importance to saying something like that if it is not true. I am sure that if a member says that it is not out by very much then he must have personal experience on the inadequacy of the machinery.

Let me say that there is something that the Government should seriously consider, therefore, in terms of introducing this rapidly without the major revision of the Ordinance. And I think it is important at the very least for the Government to have information if one is going to produce a comprehensive policy to resolve the housing problem as I have said within the next 5 years. We need to have more data regarding the composition of the private sector and the rents being paid in it, which properties are being rented with furniture, and which are being rented unfurnished, and, therefore, what I would like to see if this can be done perhaps by Regulation under the Ordinance is a requirement that every rent should be registered. Whether it is post-war or pre-war or furnished or unfurnished, I think the Government should have a record of what everybody is paying in rents, because then we can start trying to produce a comprehensive policy that is fair to everybody with knowledge of fact. We need facts to work with, Mr. Speaker. And I think that if the Government considers it necessary at some stage to introduce some legislation controlling rents, then if they have already got a system which requires everybody to register the rents, then they are able effectively to do things with more rational thinking behind it than if they are doing something blind.

Equally I would like to see Regulations introduced requiring the price at which properties change hands to be information to be passed to the Government's Valuation Department or an appropriate Government Department who would have a record of what is happening with property values and how properties change in value when they change hands. Now that again is the sort of information that I think is necessary. I mentioned earlier that I had the impression, Mr. Speaker, that there had been quite extraordinary inflation in the prices of property

recently and that if this was the result of some property-owners exploiting an increase in the property value because the shortage of accommodation was pushing up the rents and they were then capitalising the income flow of the property to produce a grossly inflated figure which was not going to reflect the value of the substance of the building then the Government should consider taxing such gains. This is only an impression that I have. I prefer to work with facts and, therefore, I would prefer that every time that somebody buys or sells a house the information should be recorded by the Government and then the Government would be able to present a proper picture whenever one comes up with a feeling that something is going on somewhere that shouldn't be, then one can look at the facts.

So those are the two things I am specifically proposing for Government's consideration in the knowledge that the other members of the Opposition also feel that there is a need to revise the Landlord and Tenant Ordinance, although they themselves have not suggested any specific points on which they would like to see the revision introduced.

Mr. Speaker, I would like to take up now the question of the Committee System which was mentioned by the Honourable and Learned the Chief Minister and which the Honourable and Learned the Leader of the Opposition said that they could not agree to. Well, I know that up to 1976 in fact the Honourable and Learned Member was in favour of the Committee System, I know it from my own experience when we were together in the IWBP, because I was as opposed to it then as I am now, and in fact it was following the Constitutional Committee and the Hattersley Memorandum, really up till then, Mr. Xiberras at the time supported the Committee System, and other members of the House supported the Committee System to the extent in fact that we put it forward as a constitutional proposal.

HONOURABLE P J ISOLA:

If the Honourable Member will give way I think his recollection is not too good on this. What was put forward, the Committee System, was a package deal linked with economic intergration, linked with first class British citizenship. On that basis the then Opposition, to which the Honourable Member was then a party, agreed as part of the package that they would agree to the Committee System provided the Government agreed to support what was in effect economic intergration and first class British citizenship, in other words exemption from the Immigration Act. And it was on the basis of this that it was agreed. When I say economic intergration I am going too far, some sort of permanent economic relationship, let me put it that way. I think virtually it could amount to that but there was some sort of permanent economic relationship which Hattersley then agreed referred to as "integration" and rejected. That was what we agreed to, it wasn't that we were in favour of the Committee

System. What we were saying was, given a situation where the economic future of Gibraltar was assured and the Gibraltarians were first class citizens, let me put it that way, in that situation we would go along at trying the Committee System. That is very different to saying that we supported the Committee System and so forth. We were prepared to support what the Government wanted on that side in return for their support on what we wanted on the other thing. I think that is the correct position and not as the Honourable Member is stating.

HONOURABLE J BOSSANO:

I know, Mr. Speaker, that it was a package deal and I know the proposals came from the Government side, but I know that within the party the Honourable Member in fact was one of the ones that personally was more favourably inclined to the Committee System than anyone else. I have a good recollection of that happening.

HONOURABLE P J ISOLA:

Well I must tell the Honourable Member that that is not so. It is no use arguing.

HONOURABLE J BOSSANO:

Mr. Speaker, we remember different things of what happened five years ago.

In fact I think it was until the last elections really that there was no indication of the Opposition to the Committee System. I am glad to see that we all on this side of the House now consider that the present system works sufficiently well and that it would be a mistake to move from the present system of Government and Opposition into a Committee System and I think in fact that if the Honourable Member goes on effectively to do what I have been suggesting since last year, and which he has said this year, it conditions the approach of the opposition, and that is that they are not going to oppose for the sake of opposition. I am glad to hear that that is also the case, because I have been accused .....

HONOURABLE P J ISOLA:

Mr. Speaker, that has always been the case. It is the Honourable Member who has described our position, and the Government who have described our position as a different one. It is not that the Opposition is changing on what it said last year, the Opposition is saying everything exactly the same as last year. We do not oppose just for opposition's sake but we do see that we have a particular role which I have described on a number of occasions.

HONOURABLE J BOSSANO:

Well it may be a matter of emphasis, but when one stands up in this House of Assembly and gives reasons for either opposing or not opposing a measure, and one is accused of not providing strong effective opposition publicly, regardless of the reasons that are given, when one is told on Television by a Member of the House that surprisingly the Honourable Member did not support this or that, well I do not see why people should be surprised, they should be surprised if they do not come to the gallery. I can understand all the people who are missing there being surprised by anything that is not recorded outside but I cannot understand anybody being surprised who has the patience to listen to me on the very lengthy explanations for everything I do. When somebody else stands up and opposes something without giving any explanations as to why they are against a measure, then to me that is opposition for opposition's sake, and it is the first time that the Honourable Member has made a clear statement to the effect that they do not believe in opposition for opposition's sake, and let me say, Mr. Speaker, that I certainly have noticed a difference in approach in the Honourable Member's speech today relating to the Finance Bill.

HONOURABLE P J ISOLA:

We agree with it.

HONOURABLE J BOSSANO:

Right, I accept that the Honourable Member agrees with it. I accept that, yes. But the reasons why they agree with it this year, Mr. Speaker, and what they don't agree with it whenever anything else comes up which one can show they have previously agreed with, is because presumably this year they decided that they would oppose those things that they themselves would not do. And that is a good thing because then we can use the House of Assembly in a constructive way which makes unnecessary the introduction of Committee Systems for the reasons given by the Honourable and Learned the Chief Minister. The Honourable and Learned the Chief Minister said if we have to move away from the limelight - I don't know what limelight we are talking about - the limelight of the House of Assembly - with all the public gallery empty seats - then in Committee System we may be able to be more open, more constructive, more positive. Now I think we can be as positive as that in the House of Assembly, and I think in the House of Assembly one can still stand up and say I oppose as I have said some of the things the Government is doing for the reasons that I have given, and give an opportunity to the Government to give me an answer. And if the Honourable Member was talking about the possibility of the Committee System working in public, well that makes it even more so, that we can work positively together for four years in this House and still go into an election campaign based on our performance in the House and give the electorate an opportunity to change the composition

of the Government if they so wish. And, therefore, Mr. Speaker, I commend that approach to the House as I have done on previous budgets, and I hope that the contributions by other members in this debate indicate a move in this direction which I think will be of benefit to us ourselves in our work here and to the community generally. Therefore, in that context clearly, the general offer of the Honourable Minister for Economic Development that I might one day be speaking from that side of the House, is totally unnecessary and will not be taken up. I will still continue speaking from this side of the House, and hopefully the Government will still continue doing what I propose from this side of the House.

Mr. Speaker, I think I have covered the main items that I wanted to and I can only say that the budget this year gives us an opportunity really to perhaps put right something that the Government may have felt in previous years they could not do. I can understand that in terms of fundamental financial policy the level of reserves, the strength of the Government's financial position, will determine to what extent they feel they can move in one direction or another, however convinced they may feel about the social needs to do it. And in terms of the measures that are being introduced let me say that in the specific cases of the new charges that are being introduced for motor cycles I myself feel that there is a social argument for introducing very hefty rates on these powerful machines that some young people are using in a lethal way to themselves and to other people. I know it will not stop them, Mr. Speaker, but at least if we make it very expensive then it will be the sons of the capitalists who break their necks, and not the sons of the workers!

If it doesn't stop them it will limit the market to ability to pay, and given that in so many other areas of life ability to pay makes a difference then let it make a difference in this area as well. Now, I believe to the extent that the cost of any product is disincentive, to the extent that supply and demand works, then the more expensive it is to buy a powerful and dangerous machine the more likely it is that some people will think twice before they do it. And even if we reduce the numbers by one then whether that person has got a lot of money or not really, we are putting one less person at risk and I think this is a worthwhile aim of social policy, and it would be one way of using the tax system for something other than purely raising money. Clearly the Government itself went along in that direction when they introduced different import duties for different sizes of cars because they thought that there was a need to use the fiscal system to discourage the importation of very large cars which placed a social burden on the rest of us, unsuccessfully perhaps, but unsuccessfully to the extent that it has not stopped the cars coming in, successfully to the extent that it has produced more money for the Government which at least can be used for relieve the rest of us who are suffering the consequences of these very large cars being brought in. So it is not a total loss.

Mr. Speaker, I really think those are all points that I really wanted to cover, I didn't want to leave that part out because I think it was an important point to be made.

HONOURABLE P J ISOLA:

Mr. Speaker, can the Honourable Member before he sits down. He has spoken for an hour and three quarters and he hasn't told us whether he is going to vote in favour or against the Finance Bill or abstain.

HONOURABLE J BOSSANO:

Oh, I see. I am abstaining on the Finance Bill. I disagree with some elements of the proposals of the tax structure. I have said that I agree with what Government is doing on motor-cycles, although I would have preferred that there should have been a clear indication that we want to discourage specific ones, but I will not be supporting the Finance Bill and I will be voting against the increased water charges and the increased rents, and I thought that was obvious in fact from my reaction to it.

HONOURABLE A J CANEPA:

Mr. Speaker, during the course of the debate on the Appropriation Bill the budget was being described as a U-turn Budget. Of course at that stage that description was totally incorrect. I think it made headline news but it was still incorrect not only because the Government as has been clearly demonstrated hasn't made the U-turn that the Honourable Major Peliza in particular has alleged that we had, but also to speak at the stage of the Appropriation Bill in terms of a Budget is really nonsense. The Budget does not consist of the Appropriation Bill, the Budget is a sum total of the Appropriation and the Finance Bills.

My own view considering the two together and in particular considering what for the man in the street really constitutes the Budget, which is the element of taxation, my own view was that the Government had come up with a package of relief on the one hand and minimal revenue raising measures on the other - which would probably be described as between mild and moderate, perhaps more mild, but hearing the Leader of the Opposition speak yesterday on the Finance Bill and on the attitude of the Opposition it is clear to me that in fact this is going to prove to be a highly popular Budget. Otherwise I do not think that the Opposition would associate itself with it. I think it is a clear cut case of, if you cannot beat the Government join them or, well, let us at least get some of the credit for it, let us jump on the band wagon and we shall say that the Government has done it because we have been pressing them for the last eighteen months to do it.

I was very glad to see the Honourable Mr. Bossano explain what was meant by U-turns, at least that is what is meant in the United

Kingdom by U-turns, and I hope, Mr. Speaker, that we can depart here in this House from this nonsense of speaking so much about U-turns. Prior to this meeting of the House it was something we hardly ever mentioned. I don't think people understand what a U-turn is. I have been stopped in the street by a number of people who have asked me, would you please explain what a U-turn is, because I don't know what the members in the House are talking about. So I would very much hope that it doesn't become the in-phrase here and that we can continue to speak about inconsistency in the approach of the Government or of the Opposition, departure from established policies, and so on.

Mr. Speaker, the Honourable Mr. Isola said, and I quote, "We have to congratulate ourselves for having waged a successful campaign over the last eighteen months", and later on, referring to the income tax package, he said that the Opposition welcomed the direction in which the Government was moving, the course that they had set us on, I will come back to the second point in a moment. But I think we ought to analyse what has been the nature of this campaign of the Opposition over the last 18 months. I imagine he means the campaign on taxation on the budget and so on. Well I remember a great deal of debates obviously in last year's budget sessions, but I don't remember the Opposition taking up the cudgels again until the autumn when at the autumn meeting of the House I introduced a number of motions to increase social benefits and then we had a fairly substantial debate on the question of taxation and the Elderly Persons Pension in particular. In between I can remember nothing. I would imagine that a campaign consists of a number of debates in the House over the matter, motions in the House, public meetings on the matter, letters to the press, communiques which Honourable Members opposite are very addicted to, but we have had none of that, Mr. Speaker. In any case if a campaign is going to be waged by the Opposition in order to get the Government to move in a certain direction merely by coming to the House occasionally, spending a few days here, making a few remarks, a few proposals, not specific proposals but general proposals, and then expecting the Government to take that away and do all the dirty work, as we invariably have to do, then I think that that is a very poor performance. And the extent of involvement by Members of the Opposition, with one or two notable examples, in public affairs, is very very limited. And when one bears in mind that ordinary members of the Opposition get paid half of what ministers get I think their performance is even more woeful. So really to try and take credit for what the Government does presupposes greater involvement in public affairs and a more deliberate approach. I said during the Appropriation Bill that if anybody, and I think I mentioned the Chamber of Commerce and the Union, and if they wanted to make representations to the Government it wasn't good enough to come along to a meeting and mention ten or twelve headings. Specific proposals have got to be made. Government Ministers put in a great deal of hard work in framing the Budget. There are a number of meetings and I could give chapter and verse

from my diary of the number of meetings that Government Ministers collectively hold on the Budget, individually in discussions with the Treasury, in committees, it is a very laborious process starting usually in late January or early February. So really to talk about a campaign I think is nonsense, and I think the Honourable and Learned Leader of the Opposition knows that that is nonsense.

I want to deal at some length with the income tax package but before I do so I want to deal with two other specific points that were mentioned by Mr. Isola. On the question of rents he said that the Government should not pass on to tenants their inefficiency. Tenants should not be expected to pay more in rents because of Government inefficiency, particularly in the Public Works Department.

HONOURABLE P J ISOLA:

If the Honourable Member will give way, I gave that as a principle, but I said that we couldn't make a judgement because we hadn't seen the Public Works Department Report.

That was the qualification and the reservation made and I think that if he is going to mention what I said, he should try and quote me correctly.

HONOURABLE A J CANEPA:

Well even without the Public Works Report let us assume that there is inefficiency, let us assume that in maintenance and in repair work, there is efficiency. But can we quantify that inefficiency because at the moment the general body of taxpayers are subsidising Government tenants to the tune of £1.4m, and the rent increases next July are going to produce about £2m, I am not sure whether it is £2m this coming year, or in a full year. £2m in due course. Now, if there is inefficiency should taxpayers, therefore, bear the whole burden. Should we subsidise Government tenants to the tune of £1.5m and not £1.4m. I would disagree with that as a taxpayer. As someone who lives in private sector accommodation I would disagree. To me I resent the extent to which I as a taxpayer am having to subsidise tenants living in Government accommodation, in better accommodation, in accommodation where they get some maintenance work done, whereas tenants in private sector accommodation find it extremely difficult. Living in properties which are fifty, sixty if not more years old we find it very difficult to get any work done on maintenance, and I resent having to subsidise people who are better off than I am. So I think regardless of what the root cause of the shortfall, the deficit in the Housing Account might be, and I am not prepared to accept that it is all due to inefficiency, it is manifestly the fact that rents are low, that people in Gibraltar spend a small proportion of their income, I think the Honourable Mr. Bossano mentioned ~~for~~ something per cent whereas in the UK for instance it is well over 10%. I think

that that is the root cause of the matter, that rents in Gibraltar by and large, particularly in the public sector are too low, and the Government has been moving in that direction. We have had very sharp increases over a period of two years consequent on the implementation of parity. So I would not accept that as a principle. Even if there is inefficiency I think that people have got to suffer what is after all a minimal increase in rents of 20%.

Mr. Isola also made reference to the private sector and on their inability, compared to the Government, to pass on wage and salary increases. Of course I just want to comment on that point that the Government does allow people in the private sector, employers, wherever appropriate, to pass on wage increases, which very often, such as in the case of the ~~trade bread~~ industry, form a very substantial proportion of costs, 70%-75% the Government does allow these employers to pass on costs to the consumer. This happens again and again. And I think that in a world where rising prices are a fact of life I don't think that the evidence indicates to those products becoming less competitive to the extent of driving people out of business. I don't think the Government is unreasonable in that respect because it accepts it as a fact of life that if we are able to pass on increases to consumers, the consumers of the municipal services or by way of increased taxation to meet our own increased costs, then that principle must logically and fairly be applied in the private sector as well.

Coming now, Mr. Speaker, to the income tax package. Before I deal with the Opposition's attitude on this generally, I want to remind the Honourable Member that in the one particular example that he mentioned of a married couple with a child and an income of £5,000, where I have to correct him as to the extent of the weekly benefit, which is £133 per annum divided by 52, and the extent to which that was going to be offset by the increase in rent and the small increase in water charges and so on, I think I should also remind the Honourable Member that there is a pay review due in July and that that pay review at the very least is going to be 7½%. And even after you take account of tax that will mean once again, particularly with inflation running at about seven something per cent, that pay increase in July, on top of the very substantial pay increases over the last 2 years which have produced a real increase in disposable incomes, will continue. That happens and people will be once again better off after July. So this is a fact that I think must never be lost sight of.

Mr. Isola welcomed the income tax package, he said it wasn't generous, he would have liked to have seen more, but we were moving in the course that they had set us on. And as I say I refute that they set us on that course, not only because they haven't waged the campaign but because he is forgetting one very important point, and that is that the Government did not just introduce an income tax package last year in 1980, we in fact did so the year before. In 1979, personal allowances were

increased from \$550 to \$650; last year we increased them from \$650 to \$750; and now we are proposing to increase them from \$750 to \$850. Again remarkable consistency. We started in 1979 by increasing them from \$550 to \$650 and we also moved away from tax relief for families with children, and in return for that we doubled Family Allowances which then stood at \$2 a week and we doubled them to \$4 a week and then last year we increased them from \$4 to \$5 and made them tax free. So we had started in 1979, two full years ago, not as a result of any campaign from Honourable Members. What happened of course was that last year the Honourable Members moved an amendment to increase the personal allowance by a further \$100, the Government voted against that and now of course it is a case of the Opposition saying, well the Government has agreed with us and now we are having the other \$100. That is not the case. If the Honourable Members have moved an amendment this year for another \$50 or another \$100, we would have voted against this even though next year we may well be in a position, having regard to the overall position, we may well be in a position to give another further relief in the personal allowances. But you see the Government is in the position, the fortunate position I think that we are the ones that review the position, we are the ones who exercise our judgement based on the situation as it unfolds from year to year. It is not a question of being led in that direction when we were moving in that direction the year before.

Mr. Bossano made reference to the maximum tax relief of \$685. I think he mentioned \$660, \$685 for a married couple with a child with an income in excess of \$14,000, and I think what is significant to point out there is that that is the maximum relief that any taxpayer can get with an income in excess of \$14,000. If their income is \$20,000, \$25,000, or \$30,000 the tax relief remains at that maximum of \$685. I think that that is a very good aspect of this package, that we have set a ceiling on it. And I think that with the ceiling, having regard to the way that incomes have been moving in Gibraltar, at \$14,000, have hit the target roughly in the right place, and I think that we were taxing rather heavily what I would call the middle-income groups, very many people who have got regular overtime in Gibraltar, and who have incomes in the region of say \$11,000 - \$12,000, without being capitalists. But we have set a maximum there and the so called capitalists, or the capitalists, would only get \$685 of tax relief. I think that that is a particularly equitable aspect of the income tax budget.

Coming now, Mr. Speaker, to the position of immigrant workers which the Honourable Mr. Bossano made reference to and where he thought perhaps the Government would want to consider a mix of giving some relief in taxation perhaps at the expense of Family Allowances in the short term, in the long term it might even out. And in this connection I think that there is some information that should be valuable to Honourable Members opposite in analysing the extent to which what has been referred to as discrimination against immigrant workers, I think this

information is very valuable and it is necessary as background information before any consideration can be given to measures to meet the representations, or any measures that might be intended to meet the representations of immigrant workers. Based on a survey which was carried out in 1980, Mr. Speaker, of PAYE taxpayers, and a sample survey, the following facts were elicited. In 1979-80 immigrant taxpayers, and in particular Moroccan taxpayers, enjoyed an average tax allowance of some \$1,600 per annum and paid an average of \$515 income tax per annum. The corresponding figures of all other taxpayers were \$1,200 per annum tax allowance and tax paid \$914. And this difference, Mr. Speaker, is not entirely explained by the lower average level of incomes between both categories of taxpayers, there is a differential of around 20% because obviously the majority of immigrant workers are industrialists whereas in taking into account average incomes for the rest of the community there are highly paid executives and white collar workers to be taken into account, but there are other factors which explain the difference, and I think that these also are very significant. Over 80% of Moroccans claim allowances as married couples with or without children and dependants, compared to just over 50% for all other taxpayers. Around 25% of Moroccans claim in respect of one or more dependants, compared to 3% for all other taxpayers. And again during 1979-80 Moroccan taxpayers contributed an average of 15% of their gross income in income tax, the corresponding figures for all other taxpayers was around 25%, and I am not going to make any further comments on this, Mr. Speaker, I think it is just information which Honourable Members may be able to dwell back upon in any future discussion or debate on the matter.

A great deal of play was made by the Honourable Mr. Isola about the remarks of the Chief Minister that the party in office was the most popular political party in Gibraltar. I don't think that there can be any question as to what are historical and mathematical facts. A contrast was drawn between 1976 and 1980. In the 1976 elections there were only two parties, one a well organised party and another one which had developed overnight to contest the election and therefore was not to that extent as cohesive or as well organised, whereas in 1980 there were four political parties: three large parties, well organised, and I think in a situation where there is an increase in the number of well organised political parties with a full candidature, the support which any party by and large is going to draw, particularly the party which traditionally has been the most popular, I think is bound to dwindle in an inverse ratio to the increase in the number of political parties. But if there were to be ten political parties at the next elections and the GLP/AACR share of the vote were to decrease from 38% to 30% and 30% was still the largest percentage support, the argument could still be sustained that we were still the most popular political party. I don't think that there can be any doubt because it is a mathematical fact. And as for the nice remarks about the loss of support, and he singled me out amongst others,

I think I should inform the Honourable the Leader of the Opposition; he also made reference to the ups and downs of the party in office. If anybody in this House that has had ups and downs it is the Honourable the Leader of the Opposition himself. From having got 5,500 votes in 1969, when in the wake of his trip with the Chief Minister to the United Nations he was the second most popular political figure in Gibraltar, to slightly barely over 3,000 votes in the 1976 elections. I have held my position as at least the third most popular political figure in Gibraltar in election after election. I first stood for election in 1972. I defeated the Honourable the Leader of the Opposition and I defeated the person who was previously Chief Minister in the outgoing administration, that perhaps is just by the way. But I think, Mr. Speaker, that if an opinion poll were to be held amongst people outside in the street, I wonder, and I am not a betting man, but would be prepared to bet on this one. I have every reasonable confidence that I would defeat the Honourable the Leader of the Opposition in any poll about popularity. And I am being personal, Mr. Speaker, because I resented one comment, and I still resent one comment, of the Honourable the Leader of the Opposition, and that is when he said that the Government was playing politics with elderly persons. He said that immediately after singling me out as Minister for Economic Development as being the person most responsible for the fact that the Elderly Persons Pensions continue to be taxable. Well I have taken a very strong stand in this matter and I intend to continue to do so, and I suppose it would be appropriate for me to say that I am not going to make a U-turn on this one. And if ever the electorate feels that I can best serve them from the Opposition benches and they consign me to the benches opposite, and if a DFEG Government brings in a measure to remove taxation from the EPP, I will vote against that measure. And if the Honourable Mr. Restano will take note that I am speaking at 10.25 on the morning of the 29th of April, 1981, years from now he can remind me of that and I assure him that I will be consistent and I will vote against that measure, regardless of what it might do to me in the popularity stakes. If anybody has been playing with elderly persons, Mr. Speaker, it is the Honourable Members of the Democratic Party of British Gibraltar. They promised elderly persons the moon: free cinema shows, this and that, which other taxpayers were going to have to pay for, which perhaps families with children were going to have to pay for. My children would probably have to pay more to go to the cinema in order to subsidise elderly persons over 65 who might have very substantial incomes, who might be working, who might have a pension from their former employers, and a tax free Social Insurance Pension, my children would have to pay more so that these people, by the mere fact that they are senior citizens could have a free cinema show. That is what Honourable Members opposite promised them, and they knew that they were on to a good wicket, they knew because of the campaign of Mr. Xiberras on the matter for about a year prior to the 1980 elections, they knew that the Government was unpopular with this group of people, and I in particular was even more unpopular. I knew I

was going to lose a lot of votes in the 1980 elections but that didn't make me change my mind and it doesn't make me change my mind now. Perhaps that is where the Honourable the Leader of the Opposition and I differ but I do not mind accepting what the electorate decides in this respect. If the people no longer want me in Government I am quite happy, if they do not want me as a member of the House I will go back to teach and I will be perfectly happy because I do not have an all consuming ambition in public life. There are other things that matter more than personal ambition. But I think that that is the underlying difference in our approach to politics and I have been saying this again and again.

It is the opposition who have been inconsistent because they opposed the introduction of Elderly Persons Pensions in 1974, and Major Peliza and the Honourable Mr. Isola - I don't know about Mr. Rossano - they opposed that at the time, and they pressed the Government, because the pension was introduced in January 74 and the budget was coming up a few months later and we were not going to introduce an amendment to the Income Tax Ordinance in January if we were going to do so during the course of the budget, they pressed us to make the Elderly Persons Pension taxable and punitively taxable with a clawback so that the people with the Rolls Royces would in fact not go to College Lane and collect their pension. The first thing they did since then was to press for the clawback to be removed and then for the last couple of years with the campaign which Mr. Xiberras started with motions here in the House and letters in the press, they were pressing for the Elderly Persons Pension to be made tax free and for these people to be brought into line with others under the Social Insurance Scheme. My attitude all along has been perfectly consistent and I did not agree in principle that this should be done and it was not a question of £50,000 which today, in tax collected from income of £16m or £17m is peanuts, but that is not the point behind it. But those remarks about me, as I say, Mr. Speaker, I do resent, and that is why I have replied in the terms in which I have.

Perhaps the Honourable the Leader of the Opposition doesn't give me credit for holding certain views sincerely, but I assure him that I do and that I will continue to do so because I value my integrity above everything else. I think that I have dealt by and large with most of the points that concern me, Mr. Speaker, but having regard to the general tone, to the general underlying points made by the Honourable Mr. Bossano in his contribution, it seems to me that the general drift of his argument regarding the needs for a programme of economic expansion has been very much reflected in the statement that I had made on economic development during the debate on the Appropriation Bill, when the House will recall I made reference to the link that must exist between the Government's Development Programme, the borrowing requirements and the level of reserves, and the general budgetary strategy not just in any particular year but for the future. It is already clear, Mr. Speaker, that

the borrowing requirements based on the present and on the proposed capital development programme will be greater every year until the peak is reached in about 1986. And so the policy of the last few years must continue to be applied in order that we may be able to mobilise the necessary financial resources to service and to finance Gibraltar's capital development project.

Thank you Mr. Speaker.

HONOURABLE A T LODDO:

Mr. Speaker, before I make my humble contribution, I must take up the Honourable Mr. Canepa on one point in his intervention when he implied that DPEG were going to buy the vote of the old age pensioners with free cinema tickets. I think really this is nit picking because if my memory serves me correct the AACR offered these old age pensioners a similar concession in respect of the Montagu Seabathing Pavilion last year. I did not see long queues of old age pensioners going down .....

HONOURABLE A J CANEPA:

If the Honourable Member will give way. I only mentioned one specific thing. I said there was a package of proposals, free cinema tickets, subsidies on the telephones, lower municipal charges and so on. It is all in the manifesto, I have a copy of it in my office but unfortunately I did not bring it along otherwise I would have made reference to it. There were a number of things, not just free cinema tickets.

HONOURABLE A T LODDO:

Yes, Mr. Speaker, including subsidised transport. But I mean if we are going to nit pick, there you have one. Free entry to the Montagu Sea Bathing Pavilion. Probably in the hope that these elderly persons would take a cold dip and never recover.

Now to the substance, such as it is. I realise that anything that I might say in this contribution will be an echo of what the Leader of the Opposition has already stated so ably, but I feel that the Budget debate is the highlight of the year insofar as the House of Assembly is concerned and that one is in honour bound to make a contribution however humble. The supposition of last week, that is as to what was going to go up is now no longer a supposition, it is a reality and all of us who were holding our breaths can let it go. When I heard the Honourable the Financial and Development Secretary's statement, I said, let's face it is not bad, it will never be a best-seller but it is not bad. Generally I could go along with practically all that he was saying, that is why I felt it was a bit of a shame that the Learned Chief Minister addressed the Opposition more as a headmaster castigating naughty school-children and that he assumed our reaction, because I will assure

the House that my reaction originally was a very favourable one. In fact even after analysing it overnight it is still not unfavourable.

As I said, to most people, all in all, this was a reasonable budget. But the question is, taken on its own it seems very reasonable, but taken in the light of the previous ones I would call it a budget of restitution. Giving back to the people what had been taken away from them over the last two years. And I am sure that when people get over their sense of relief, because that is what it is a sense of relief that more things have not gone up, and they analyse the budget with cold logic, they will see that this is the case. However, I will repeat, it seems a reasonable budget which it is. The Chief Minister used the word "pinpricks", well it had to be pinpricks because after the studs of the last two years we do not want the patient to bleed to death.

I can understand, Mr. Speaker, that the Government dislike the term "U-turn" and I am sure that if we could find a more euphemistic term we would use it, but U-turn seems a very apt term to describe the reaction of the Government this year. I can see the Chief Minister does laugh, and I can understand them being upset at the success of the Opposition. It has been a success, Mr. Speaker. It has been proved that a strong Opposition, a responsible Opposition, by doing its work properly has got the Government to do a better job itself and the Government has done a better job. Or is the Government not prepared to accept that, that they have done a better job. If they are not prepared to accept that they have done a better job then they have done a worse job. As I see it and as I said before the role of the Opposition is not merely to oppose for opposition's sake and we have given proof of this in this House today. The budget is reasonable. By and large we can find nothing to quarrel about so we support it.

The fact that on income tax the Government has seen the error of their ways is worthy of note, and unlike the Honourable Mr. Bossano we will be voting for the measures. That I think is positive. It is very comfortable to ask for the power to be able to stand up in this House and speak without the responsibility that should go with it and it is very comfortable to abstain most of the time. It is not as comfortable to vote for or against because if you vote for, the Government can turn around to you and say you are now inconsistent because you should be voting against it, because you are in Opposition, and if you vote against, they say, what more do you want, we can never win. Heads you win, tails we lose, it does not matter what kind of budget we present you are going to vote against. If we vote, for, people in the street will say, ah, they have gone over to the Government side. So I think that in this case we are in the position of "heads you win, tails we lose" but we don't mind. We believe that a responsible Opposition should act responsibly and if you have to get a pat on the back we will be the first to give it to you.

I must say that for all its faults, the grafting of the Westminster pattern on to Gibraltar works by and large, works reasonably well, and as the Leader of the Opposition said the only way you can have a Committee System is without parties. The complete collapse of all the parties and then they are all individuals: we go back to City Council days. But that is a step backward. Like everything else you can not please all the people all the time. I am not too happy on the 40% increase in the car licences: I will qualify that. What am I going to get in return? What I expect is a betterment of traffic circulation, of parking facilities and the like. I would agree with increased licences for motor cycles but not for the reasons that the Honourable Mr. Bossano has mentioned because I fail to see his logic. The richer you are the more you should be prepared to pay for the motor cycle, so if you want to get killed and you are the son of a rich man, it is better that the son of a rich man should be killed than the son of a worker, but by the same logic ..... Then I misunderstood it. Perhaps, the Honourable Mr. Bossano would like to correct me.

HONOURABLE J BOSSANO:

Mr. Speaker, I said that if that is not a disincentive, it is bound to limit the number of people who can do it the more expensive you make it, and if we just stop one person doing it because of the money then it is better than not to stop any at all.

HONOURABLE A T LODDO:

Yes, that was the second time round but the first time he said it slightly different and Hansards will show that.

MR SPEAKER:

I think what Hansard will show is that Mr. Bossano said that if the result is that, he would rather see the son of a capitalist killed than the son of a worker. But not that the introduction of the measure was to have that effect in itself.

HONOURABLE A T LODDO:

Yes, of course, I take the point, Mr. Speaker, I understand that, but by the same line of logic there are more workers than capitalists, so if a chap on a motor cycle wants to kill himself, hard luck for him, but there are more workers walking around than capitalists and he might not just kill himself he might take two or three with him.

Another thing I would like to see as a result of this 40% increase is garages not using the public highways as their own private garages without paying anything for the privilege. They are depriving other taxpayers from the use of these roads.

On the question of gambling, as I am not a gambling man myself, I in fact applaud this, I really do. I think gambling is a useless exercise, but I mean if people want to indulge in it they should be made to pay. After all the Government has been gambling with the good will of voters for a long time. As I said it is a reasonable budget but it is a budget of restitution.

HONOURABLE J BOSSANO:

Mr. Speaker, if the Honourable Member would give way. I do not know if this was a point that he was going to make or not, but before he leaves completely I would like to know what is the view of the Honourable Member or his Party regarding this question of doing away with tax relief for children receiving full-time education in the UK, because as I understood it from a question in an earlier meeting of the House it seemed to me that he asked the Government whether they would be reviewing the question of allowing tax relief for children in full-time education outside the state system, and I got the impression that there was support for that, and I in fact asked the Government in a supplementary that if it was going to be reviewed whether they would also consider in their review doing away with it altogether. Now, that has been completely omitted so far from the contribution, I think it was the Honourable Member who raised it a few months ago, and I imagine this is not a U-turn, I mean, are you still in favour of it or do you feel it should be done away with.

HONOURABLE A T LODDO:

No, Mr. Speaker, I am still in favour of it but the thing is that now in the UK it costs so much to educate your children that what they would get in Gibraltar in allowance is minimal. It hasn't now become such an important issue, such an important point, it is probably just a point of principle.

HONOURABLE J BOSSANO:

I think the Financial and Development Secretary made a valid point when he said that there was no reason really why tax relief should be limited for people in full-time education in UK, I mean, why especially in UK. If we don't think that our educational system in Gibraltar is good enough it would seem to me that what we need to do is to insist that the Government should improve it. Now, if an individual does not think it is good enough then he cannot expect to be subsidised by the Government just because he doesn't want to make use of what is available. Now, that is my view on it, I thought that other Honourable Members in fact were earlier on pressing for this to be increased. Now it is going to be done away with, and I understand they support that it should be done away with it, is that the case?

HONOURABLE A T LODDO:

I am going to give the Government a lot of pleasure, I am going to make a U-turn. (laughter) As I said, talking in the terms of what it costs now, I don't think it is very important.

Anyway, I have completely lost the drift of what I was going to say.

MR SPEAKER:

Order, order.

HONOURABLE A T LODDO:

With the leave of the House I will just end up by saying that we definitely will be voting in favour of the Bill.

MR SPEAKER:

Gentlemen, we will now recess until 1.45 when we will resume the debate on the second reading of the Finance Bill.

THE HOUSE RECESSED AT 10.45 AM.

THE HOUSE RESUMED AT 1.50 PM.

HONOURABLE MAJOR F J DELLIPIANI:

I think I mentioned in my intervention that my intervention was only in response to a point of clarification from the Honourable the Leader of the Opposition with respect to the sponsored children to the Services school and in fact I mentioned that I was only doing it in response to it.

MR SPEAKER:

I think if members agree that will be fair enough.

HONOURABLE MAJOR F J DELLIPIANI:

My contributions are always brief.

I think, Sir, that the way the Government has approached the Budget this year is based on promises made last year: that we would produce a package deal which would suit the more moderate income groups of Gibraltar and this has been the basis of the approach of the Ministers and Government and on the advice of our financial experts. I think that the Honourable Mr. Joe Bossano has dwelt on the fact of the Moroccan workers. I think to some degree the Government does do something indirectly with the Moroccan workers although I must admit not in respect of all, but I don't think that the Honourable Mr. Bossano has taken this into account in his discourse and I have a lot of sympathy with what he says. It

is a fact that there is a great element of subsidy in the hostel accommodation that we provide for Moroccan workers and I think that should be taken into account, it is a fact, though that we might not appear to give as much as they might contribute, there is an element in the subsidised hostel accommodation that we provide for workers and there is quite a substantial amount of money.

HONOURABLE J BOSSANO:

If the Honourable Member will give way. This is not apparent from the Estimates because the Estimates show for 1981-82 £400,000 cost and £400,000 income for the hostels.

HONOURABLE MAJOR F J DELLIPIANI:

The Honourable M. Bossano has forgotten the non-recurrent expenditure of the hostels. We spent something like £½m last year in the modernisation of the Casemates. £½m is a considerable sum of money. That is all my contribution, Mr. Speaker.

HONOURABLE MAJOR R J PELIZA:

Mr. Speaker, it is very difficult to talk at this time of the day after a meal with the person speaking falling asleep, let alone those who are listening. So I will try and make it as lively and as interesting as possible even if only to keep the House awake. Indeed I don't think we have ever heard so much argument about one single word said in this House, U-turn, Mr. Speaker. It has ceased to be a discussion on the Budget and has become a discussion as to what a U-turn means. Now to put the House at ease I think I should say what a U-turn is, Mr. Speaker. Anyone who has been on the road will see now and again signs to say you cannot do a U-turn, you cannot go round here.

HONOURABLE H J ZAMMITT:

If the Honourable Member will give way. That is a no U-turn!

HONOURABLE MAJOR R J PELIZA:

A no U-turn, so, therefore, if you do a U-turn you are doing the opposite of a no U-turn. And that means a U-turn, Mr. Speaker! (laughter) Now it seems that my Honourable Friend here had to spend quite a lot of time. . . .

MR SPEAKER:

With due respect to the Honourable and Gallant Member, you are coming back to what you originally started, in other words you have turned back in your opinion.

HONOURABLE MAJOR R J PELIZA:

This is not a U-turn, Mr. Speaker, this is a roundabout,

Mr. Speaker, of which I think my Honourable Friend is very fond of. So we have a U-turn and we have a roundabout. And they are both really traffic signs when it comes to it but I think everybody knows what it means. If people didn't know what it meant I don't think that the Government would have really taken so much notice of it. So when you realise that the Chief Minister in his reply has used the phrase "U-turn" about six or seven times, what does it contain that has made the people so interested in finding out what it means. The fact is that I think they do know what it means, Mr. Speaker. It is trying to cover up, what it means that all this discussion has been about. It has been very clear, Mr. Speaker, to me anyway. Of course every one is free to think the way they like. After all it is a matter of opinion at the end of the day. It is a matter of opinion perhaps because opinion is so much more on the side of the Opposition than on the side of the Government that they have got so worked up over the meaning of this word.

I think that there is absolutely no denying, Mr. Speaker, that the Government did go back on their position on the question of parity. No one can deny that. The reasons why they did it is neither here nor there.

MR SPEAKER:

With due respect to you, let us talk about U-turns on this Budget and not on parity.

HONOURABLE MAJOR R J PELIZA:

I am just mentioning it because they say that they haven't done a U-turn and I have got to prove that they have. Mr. Speaker, on the question of helping hotels over water is another U-turn. It is a subsidy and I think in fact the Chief Minister does mention the word subsidy in his address.

HONOURABLE FINANCIAL AND DEVELOPMENT SECRETARY:

Mr. Speaker, Sir, if the Honourable Member will give way. I don't want to enter into any political debate, it is not my job, but I think looking back through the Hansard of last year on the debate on the Finance Bill the Chief Minister made it quite clear that what the Government was opposed to was hidden subsidies to anybody and on this occasion the subsidy to the hotels is open and everyone knows about it. The Chief Minister made the point last year in the debate on the Finance Bill that the Government was opposed to hidden subsidies to any organisation and this is why the hotel rates were lifted up to that of the normal non-domestic users of water. This year the Government has agreed to open subsidy, everyone knows how much it is and it will be in the Estimates. This is just a point of clarification for the Honourable Member.

HONOURABLE MAJOR R J PELIZA:

Yes of course, all that he has really said is exactly what the

hotels are going to get, but they are going to get it and I suggested last year, Mr. Speaker, that they should have got it then because of the situation of the tourist trade in Gibraltar. This is an industry about which I will speak later on because my Honourable Friend here made a very good point during his contribution. I thought that this was a particular industry in Gibraltar that needed some support and this is the way to do it. I fully agree. Call it what you like, subsidies or call it what you like, if some financial help is required directly or indirectly for the purpose of generating more economic activity in Gibraltar, then I think it is in the interest of everybody in Gibraltar to see that they get it. That again is a decision that the Government has got to make but we thought it was necessary last year; the Government thought that it wasn't, this year I think they have realised that this should be so.

I think my Honourable Friend made a very good point when he mentioned the many things that can be done which make the Budget more than just an exercise in the balancing of the books of the Government. That used to be the case here. I remember when we came into Government in 1969, from the feeling I got from the people that I was dealing with, the whole object of the exercise was to balance the books, and if the books were balanced and there was a nice bit on the side for a rainy day, all was fine. I think that since the Government became more representative as it is today, as the Ministers become more responsible in every sense, including the finances, and I as the Chief Minister who probably first took the political aspects of the budget in hand, things have been seen in a different way. I remember that one of the things that I did was to exempt landlords from tax, because we wanted to embellish the town, who painted the fronts of their houses and shops. We defined the period as one year then and it could have been extended. That is what we did. Equally we thought there were too many old lorries and vans hanging about and people were importing old ones because they were cheaper. The way that we encouraged people to bring new ones was precisely by taking away the import duty on new vans. So there are many ways I think in which the element of taxation can be used either in a positive or negative way, and this is something that I am glad my Honourable Friend has brought out and it is something that in my view is obviously on the up and up, this is going to be used more and more. That is one thing simply because the Government has become a responsible Government.

Now because the Opposition may agree or disagree with the political views of the Government let alone the economic and fiscal way of tackling budgets, because we disagree, it doesn't necessarily mean that we are irresponsible, nor does it mean that the Opposition has got to be brought into the bosom of the Government before they come to a debate in the hope that no dirty linen is washed in public. I would be dead against a Committee System simply because if we were to do

that we would become so inter related that the functions of the Opposition would be totally nullified after a little while. It is a difficult enough as it is now to oppose, it might seem from the other side that that is quite easy because perhaps they have been in Opposition such a little time that they do not know what the role of the Opposition is. The role of the Opposition is not so easy as it looks. One has to be responsible, but at the same time one must be critical and critical in a way that will influence the Government into changing. Now we all know human nature, and it is very very seldom that eloquence by itself will change policy. It is not eloquence that usually changes policy, it is pressure. And it is public opinion pressure that normally does this. And quite rightly so. In a democracy it is based on whether at the end of the day the electors are going to agree with what the Government has done during the period that they have governed, or they are going to disagree with what the Government has done. It doesn't mean to say that because in the previous four years of Government they have agreed that they are going to be quite as happy after the next four years of Government. So, therefore, it is necessary for the Opposition to be critical in such a way that it is brought to the notice of the public. It is difficult as you know to bring things to the notice of the public because we haven't something that I was hoping we would have, and I am sure that we will have some day, and that is the direct broadcast of our meetings. It is clear that the public is not really interested enough to make its way here: we have seen this over the years, but it would be a different thing to have proceedings broadcast because then they can listen to it in their homes. So I think that when that happens the Government will be much more subject to pressure from political opinion than they have been up to now, and, therefore, they will take more notice of what the Opposition says.

Now let us see why we believe that we were right last year. We made certain predictions. One of these predictions was that the surplus was going to be much greater than that forecast by the Government. I think my Honourable Friend, my Leader, almost hit the jackpot, he almost said the amount that it would be. I myself said \$5m a lot more than \$5m, nearly double, I think, if I remember rightly and if the frontier opens in my view, and I said it then, it would be more. So because we believed at the time that there was going to be a big surplus we also believed that the Government should be, I won't say more generous, more fair, with the people whose money they were taking away. My philosophy is that the individual has a right to what he earns. Totally. And then the Government comes and says, in the circumstances of our society, and this is in agreement with all of us because of our constitution and our elections and so on, we believe that it is necessary to take away from you X number of pounds. But the right remains with the individual, my philosophy, not to the State, not to the Government, and the Government is only entitled in my view to take in a fair way such amounts of money as in the

policy and philosophy of the Government they think it is fair for that society, because that is why they have been placed there. Well if you take that to its logical conclusion it is unfair, therefore, to take more than what the Government is going to use. And this is why I say that if you have a large reserve, and that reserve is not necessary - some people think it is, some people think it is not, we don't think it is necessary to have such a large reserve, and I will tell you why I don't think it is - then in our view in our philosophy you are misappropriating money from the individual from whom you are taking it away.

Well, you say no, but this is our philosophy. You may have another one. If you have another one, good luck to you, I mean, at the end of the four years we will see! Well, this was what we said last year and I stand even today by what I said last year, because that is my philosophy. I think it is good for the individual, it is good for society and it is good for Government. Nothing is worse than for Government to have huge reserves because you finish up with mismanagement. The Minister knows this very well and I have been in Government and I know what it is. How the departments always require more and if the money is there it is extremely difficult to put up a case to say you cannot have it. But if it is not there then you are against the wall and you have to say, I am sorry, I haven't got it, and I cannot give it to you. Mr. Speaker, this is one reason why, and I am not saying this is the only one I will mention a few more that, I do not believe it is in the interest of anybody including the taxpayer to have huge reserves. I do not agree that a huge reserve is what gives you credibility, Mr. Speaker.

Let us take £10m out of whatever it is £40m, 1/4th of our recurrent expenditure. First of all I don't see suddenly the whole thing coming to a standstill and the Government having to use the £10m in the next three months. That does not make sense unless an atom bomb is dropped on us, in which case we must forget about the money. So, it is clear that from that aspect it is not necessary. I know that attention was drawn to what I said in 1972. Well, to have to go back nearly 10 years to try and prove the point shows you that there is no argument whatsoever. And I am going to say now why I said that 10 years ago.

HONOURABLE A J CANEPA:

Because you were in Government.

HONOURABLE MAJOR R J PELIZA:

No, not because I was in Government I could have said it if I were in the Opposition.

MR SPEAKER:

Order, order.

MAJOR R J PELIZA:

I was responsible for the budget, it is very silly for me to say from the Opposition, I have to say that I was in the Government, of course, but there were two reasons. One was that the idea of the reserves was very deep in the minds of my advisors: we had been there for a very short time and it is not easy to act without very, very strong reasons against advisors who have been there for a long time. You have heard what the Chief Minister told Mr. Bossano. What was it? Financial Secretaries cannot be wrong and you are going to be right. 20 Financial Secretaries cannot be wrong and you are going to be right! You have only been here two years, are you going to tell them now, all these people who came before you, the basis of why the reserves are there. Me, without an economic degree. He has got one but even so this is of no consequence whatsoever when you are discussing with Financial Secretaries, at least according to the Chief Minister.

So for me a poor ordinary layman with no economic degree it was not an easy thing. But even so it wasn't \$3m as the Chief Minister said, it was \$6m, and \$1m out of \$6m is 1/6th according to my arithmetic. But \$10m, as we thought it was going to be out of \$30m is more than one third. So, you can see straight away that not because I was quoted, what I was quoted at the time has the same situation got to be necessary today. Those were other circumstances. We had just come into Government and labour had been completely withdrawn. We had ideas, in fact we did implement them, ideas of introducing new plans and we did introduce a number of plans to increase productivity. Again I think something that the Government must carry on thinking about. If you remember before we came in there used to be a sort of trolley that used to go round to pick the barrels, we had to make quite an investment in getting a lorry that used to it hydraulically, and so we saved about 6 or 7 men. I notice for instance, and this is something we had in hand and I don't know what has happened, how when you were trying to fix the electric cables there were about 20 or 30 men pulling a rope. I think I have seen in other places where they use an electric winch and that I think saves quite a lot of money. I don't know whether the Government has got it now but that is the sort of thing that I if I were in Government I would give consideration to. It is a very good investment and I would rather put money into that kind of investment than have it in the reserves.

What happens in the reserves? There is no inflation and as time goes by that money is gradually losing its value. I know that some of it is invested: invested, where? - abroad. So the benefit of that investment is not coming into Gibraltar. We get the interest but the interest is never equal to the amount of depreciation. So what are we doing? Unless there is a very great need to have those reserves my suggestion is to keep it as low as possible, not as high as possible. And

now you see, Mr. Speaker, why there is a difference in our thinking and in the thinking of the Government.

I don't know what the thinking of Mr. Bossano is but this is his prerogative. He has had his say and it is up to him the way he goes. I don't think he is entirely in agreement with Government because he is going to abstain. So he may not be in fact in agreement with the Government or disagreement with the Government as we are. He is I am afraid as I said before in the roundabout, not doing U-turns but going round and round the roundabout.

MR SPEAKER:

I think the Honourable Mr. Bossano made himself very clear on this question of borrowing.

HONOURABLE MAJOR R J PELIZA:

Well, however clear he has made himself he is going to abstain. Mr. Speaker if you tell me all your arguments and at the end of the day I tell you, I love you, I love you but in the end you do not want to marry him or you don't want to make a marriage, it does not mean a thing.

HONOURABLE J BOSSANO:

Mr. Speaker, I did the same thing last year. I don't know why it has come as such a big shock to him!

HONOURABLE MAJOR R J PELIZA:

It does not come as a big shock. What I say .....

HONOURABLE J BOSSANO:

Mr. Speaker, the Honourable Member congratulated me for taking the same line on previous years as I have taken this year. I do not agree with everything that there is in the Finance Bill, I have said the things I agree with and the things I don't agree with, and, therefore, on the measures as a whole I am abstaining, because I cannot support it entirely or oppose it entirely. I am opposing the increased charges for water and for rents and I have given my reasons why. I thought I had taken a great deal of care and gone into a great deal of detail to explain things to the Honourable Member, but, if he wants to think that I am in a roundabout .....

HONOURABLE MAJOR R J PELIZA:

Well, I think you are. We all have the benefit of thinking what we like and I think you are in a roundabout. You are not doing U-turns but you are not going one way or the other. You are going round in circles in other words.

HONOURABLE J BOSSANO:

I will by the time I have finished listening to him!

HONOURABLE MAJOR R J PELIZA:

Maybe you will, maybe it will do you some good too, then you will realise that you are in a roundabout.

So Mr. Speaker, I think that a reserve is something that obviously we need to some degree, the same as a business needs a cash flow, but you do not find a business hoarding its cash and putting it there for a rainy day because that is very very bad business. What the business wants to do is use plenty of cash on somebody else, and with that I agree with Mr. Bossano. I agree entirely. The amount of borrowing that we are doing now is excellent, not only because I think we are obviously going to get a lot more value for money that we are paying for whatever we are going to get now and not in years to come when things will cost twice, three times, four times as much, but because we are going to get it, we are going to enjoy it and we are going to have it. If it is for extra production, for the creation of wealth all the better. If it is just for social improvement it is still good, so if it is for a good cause let us have it. And if we have to borrow, let us borrow. And finally, Mr. Speaker, it is a much fairer way of doing things because it is not just the individual of today that is going to pay for it, the individual of tomorrow who is also going to enjoy it will be contributing towards that. That, Mr. Speaker, I fully agree with. There are a lot of things with which I agree with my Honourable Friend Mr. Bossano, and I think that he will see that I may be wrong in his view but it isn't, it isn't that I am anti his views in any way, and I hope that he accepts that. But on the question of reserves Mr. Speaker, to me there is a great difference, I agree we are owed some money and obviously we have to, somehow from payment that are not forthcoming, somehow pay for those services ourselves, even if we are not paid for them and I accept that payment should be made from the reserves rather than borrow because you are going to pay even more in interest and therefore one should use one's own cash. Have a little bit for a bridging loan which you may need suddenly. But if you are going to ask this House for reserves you have to tell us why you want those reserves. That is what you have to do. You have plenty of economists in the Government. Come out with a clear indication what you need the reserves for the same as you are for other money of recurrent expenditure. But don't come along and say we want \$Xm for the reserves without in any way telling us what you want it for, but simply because for whatever it is you must have that amount, for 3 months which doesn't make sense because as I say it is not going to happen suddenly in three months. If you are short of money this will go over a number of years, or a number of months, much more than I hope. How can you suddenly say that you are going to need the \$4m

just like that. What has gone wrong, people do not pay tax, are we going to have a civil service strike and therefore no one is going to pay tax, and as nobody is going to pay tax the Government is going to be left without money. Even so I am sure borrowing could be done from the Bank if it came to that situation. And since that situation is so improbable, so remotely improbable and very unlikely to happen, I would rather pay the interest when it happens than lose money all the time whilst hoping it will not happen.

Now, Mr. Speaker, I believe that we should allow the individual to keep as much money as the Government think they should, based on the philosophy of the Government. I am sure that if my Honourable Friend had his party there perhaps he would think completely differently. I don't know, he might say no, we are really going to have a socialist government in which public enterprise is more or less going to be cleared off the Rock. We are going to tax very heavily and instead of the individual buying his services, whatever he wants, the Government is going to decide what is going to happen and how he is going to have it, because he believes that that is a fairer way of doing it. Well, that is what he believes. I do not believe the Government thinks that way, and if the Government doesn't believe that way, and if the Government believes on the lines that I am saying, then I think the logical way to do it is the way that I say, whereby you allow the individual to keep as much money as possible and you tax accordingly to what you think is fair both for the good government of Gibraltar, and for good social services, and above all I think because I think that is the way the Government thinks, to make sure that nobody, nobody in Gibraltar suffers any form of hardship. That in things like education they have good education, things like medical services, they have good medical services, housing, that they have a good house. I think that is the way that Government thinks. If that is the way that Government thinks then what it needs is a good thinking on how to fiscally make the arrangements. And that is the way I see it. I am concentrating on the reserves because this is where I think we basically differed last year. The Government says that if we are going to borrow money we need credibility, creditworthiness, if that is what Government says, I say to the Government; it is not the reserves that are going to give you the credibility that you need, it is the resources of Gibraltar that are going to give you that credibility, and the faith the person who is going to give you the loan places on the Government of Gibraltar and on the political scene generally of Gibraltar.

What is the political scene of Gibraltar? On the whole, I think a very stable society with a very stable Government, and I would say a stable Opposition as well. No one can expect any undertaking given by the Government of Gibraltar not to be honoured by the Government, if there were to be a change of Government, by whoever came into Government. This is not a banana republic, Mr. Speaker, and I think we can boast of. Now, if this is not a banana republic, and from the

political aspect, nobody is going to doubt that the Government of Gibraltar will honour whatsoever borrowing is done, what else would worry any person trying to invest in Gibraltar by loans directly or indirectly. Is it possible that this town will go bankrupt because they haven't got the resources? I say, very unlikely. Our income, as I have said before comes from the defence industry. From what one can gather now or in the foreseeable future there is no likelihood of this changing. I haven't heard. I asked the Financial Secretary whether in his reply he could do so, as well as the Chief Minister, and unfortunately they haven't done so, I said that whatever changes there might be internationally, and I repeat this, I do not agree with the Financial Secretary the same as I didn't agree with the question of reserves I don't agree on this question with the Financial Secretary. Whatever little changes there might be in England I still maintain it is marginal. It is not going to sink Gibraltar, but what will sink Gibraltar is if the Dockyard suddenly decides that it is not going to be a refitting base any more, and that the real income of Gibraltar which comes from them is going to be reduced considerably. That will affect us very considerably, and I would like to hear at Budget time every year the Financial Secretary making a statement in that respect. That is most important.

#### HONOURABLE FINANCIAL AND DEVELOPMENT SECRETARY:

Mr. Speaker, the Financial and Development Secretary cannot possibly make a statement of that kind. Only Her Majesty's Government can make a statement like that. I do not represent Her Majesty's Government here, I am employed by the Government of Gibraltar.

#### HONOURABLE MAJOR R J PELIZA:

Of course, Mr. Speaker, he is not going to speak for the Admiralty, and I do not expect him to do that, but I do expect him, since he is taking so much notice of how the economy in Britain is moving and is likely to move, that we should also have some information, I don't know if they do not want to give it, they can come and say so, but I cannot see information from the MOD .....

#### MR SPEAKER:

I think you are being completely and utterly, if I may say so, unfair to the Honourable the Financial and Development Secretary. The expenditure of the Ministry of Defence in Gibraltar, the viability of the Base or the Navy, has nothing to do with either the Government of Gibraltar, in general, collectively, or the Financial and Development Secretary. He cannot answer to that. He cannot be asked to answer to it, and that is what you are asking.

#### HONOURABLE MAJOR R J PELIZA:

Mr. Speaker, I know it has nothing to do with him but in the same way as they make analysis of other aspects that can affect our economy I think it is very important that they should make an analysis of this. I know they cannot give an undertaking but I think they should be able in my view, and certainly the Chief Minister should make this point, I certainly would if I were on his side now, because I think it is so important. I would seek some information from HMG on what the position is going to be this year, next year, 10 years hence because it is most important. And to talk about development in Gibraltar and to ignore that particular thing to me, Mr. Speaker, is talking a lot of nonsense, because if that goes, we will have to completely re-arrange our economy and will we be capable of doing it? At least we could have some warning, at least we should know what way we are going, and then we can start thinking how we could go about it. Because, if that collapses Mr. Speaker, I don't think anybody has any doubt about it, our economy will be in great trouble, and then I think this is where we come into this House and see what can the reserves do for us. Nothing at all. Because if the cost of living goes up in England or comes down or there is a shortage here and there, it has been proved, Mr. Speaker, that there are 2½ millions unemployed in England. What is the unemployment in Gibraltar? Has it moved in line with them, nowhere near, thank God, and it not likely to, but, what have we seen about inflation? Inflation has been higher in England than Gibraltar. Very rightly. My Honourable Friend pointed it out because part of that inflation is created by indirect taxation and therefore does not apply to us. A very good explanation, but one way or the other we shall carry on ticking I think with a little bit more or a little bit less, but we can survive I think quite happily. So I think, Mr. Speaker that is vital.

I was very pleased today for instance, Mr. Speaker, the Freedom of the City to the Royal Regiment of Artillery. Ideal. Because here we are showing our unity, our joint thinking with the rest of the defence of the Western world of which we form part. I do not consider Gibraltar to be mercenary, we are working together for the same aim, and in this respect I think fits very well. I was very pleased today, delighted to see the Royal Regiment of Artillery getting the Freedom of the City, and of course as you know I was instrumental in seeing that the Royal Engineers got it too. Perhaps we could have somebody else in mind for the future just to show how close we are to them. Apart from being in the interest of our own protection here, it is our livelihood.

Now if we go from there to tourism, Mr. Speaker, which is the second industry we are going to get the money from, I think my Honourable Friend made it very clear, the budget can also help in creating wealth, and this is vital. I think people have become very conscious of this as never before. I think

they have realised that the only way in which the standard of living can really rise is by creation of wealth. Taxation may distribute wealth but it will not create wealth and, therefore, we should use taxation in a positive way to create wealth. And the one that I think needs most in Gibraltar, when we talk about expansion and so on, I think it has been clear from what we have heard from the Minister already, as far as the Port is concerned, we cannot expect all that much from it. Certainly, it is no substitute for the Defence. But on Tourism I think, Mr. Speaker, which is a third approximately of our income, it may perhaps be less, a quarter, but is still I think a very important sector of our economy. Now that in my view needs developing at full speed because I don't think it is just for tomorrow, it is for today. The more we can get in from tourism the better off we are going to be, the more money the Government is going to receive through taxation and this is where expansion in fact helps to reduce taxation. This is why I think the Government finds it possible to reduce taxation, above all, it is because parity is beginning to show now in the circulation of our economy, the money going around is beginning to show up in the form of taxes and is coming into the coffers and this is why I think, Mr. Speaker, we are beginning to get the money in now, particularly I think lots of accounts which have not been paid are being paid now, and because of that, because I think there is going to be much more collection in this coming year, I believe anyway that the reserves which have been estimated will be increased from between £2m to £3m than what is stated there. I am sticking my neck out and I am sure that even the Government hopes that I am not wrong. I believe so. I think there is a lot of money to be collected. And when that is collected that will show up.

Now, since tourism is such an important industry I think it is vital that the man who is responsible for economic development should take tourism over. Because if you look at Gibraltar there is where I think there is economic development. All the rest is pie in the sky. You cannot think of having light industries in Gibraltar, it hasn't worked in the past: it is not going to work in the future, very unlikely. We cannot compete with Korea and Hong Kong and places like that where the labour costs are so low and where they have the real technique and knowhow now. We have tried before. Someone tried to assemble watches here and it was a total failure; somebody has tried to make shirts and leather bags and so on and it was a total failure, and I doubt whether the Minister can ever get people to come here and do that in a big way.

HONOURABLE H J ZAMMIT:

Toilet paper has been quite successful.

HONOURABLE MAJOR R J PELIZA:

Well I am not so sure it is doing so well, I hear it isn't

actually. I think it has closed down already, so that is another failure.

I think we have got to be realistic about this. If there is going to be economic development here it is in the Tourist industry, and what better than to have the Minister for Economic Development linked up with Tourism because then the same head will be carrying out the functions that it is the most important function, economic development. Above all I think he is an active man, he has got the personal abilities to perform and produce results. And I do hope the Chief Minister, who I think has taken notice of this suggestion before, I don't think that U-turns in themselves are a bad thing if I may return to the word, Mr. Speaker, it is only fools who do not change their minds if he thinks that something else is better than the way that he was thinking. It is nothing really wrong in accepting that you have heard something new, I think that is great, I wouldn't be all that annoyed if he did some U-turns, well if I thought.....

MR SPEAKER:

No, no, you are not going to start all over again on that.

HONOURABLE MAJOR R J PELIZA:

No, Mr. Speaker, all I am saying, Mr. Speaker, is that I do hope that the Chief Minister will take note of what I say because I do believe that tourism is the most, important industry after defence and that it would be in my view in the interests of Gibraltar and in the interests of the trade itself that the Minister for Economic Development should take that ministry over. And I have no doubt that it would be not be very long after that that we should see results. I only hope of course that he doesn't get entrenched on any matter as he tends to do now and again, I am sorry he is not here and as you can see I am a great admirer of the work that that Minister has done and can do. I do hope, however, that he doesn't get entrenched as he does at times. For instance he has got entrenched on the question of Elderly Persons Pensions. In a way he says, no, no, no. He will not even listen to any argument any more, as if it weren't possible in a year's time for something to happen where let us say the people in the higher bracket are already all gone now and that there are only people in the lower brackets who are really going through hardship and then he says because I said, no, in such a year I say no again today. That is not good thinking, Mr. Speaker, and in that respect this is not the only thing in which he has done it. He does it now and again. I don't know why. I think he believes that sticking to a point regardless of the consequences is good and honourable and as a politician he proves integrity. Now let me tell him one thing. Even as a politician, even if he did not agree with that, Mr. Speaker, if for the sake of getting back into Government because he thinks, and this is where ambition, political ambition, comes in, because he thinks that by being in power he can do so many good things

that it is worse compromising on this one, to be able to do all the other good things that he can do, even on those grounds. Mr. Speaker, he should be more flexible. Nothing wrong at all in giving way politically, even if you think you are doing the wrong thing, provided that you do it for the sake of bringing greater benefit, greater happiness to the people that you are going to govern. So even on that score I think it is wrong and I do hope that he is listening because if he is, I hope he takes my advice in that respect. If he is not, well perhaps his colleagues can tell him that I treat him very gently and very well.

I think Mr. Isola has made it quite clear. We asked last year for the \$100 allowance. We thought it was fair, we still believe it should have been done last year and we have been proved right. There is no doubt about it. The money was there and the money has been there. Now, whether by doing that we are going to benefit one bracket or the other bracket, that is neither here nor there. We cannot go into the details because we haven't got a computer. Nor are we responsible in that respect. But what we do know is that if you had given those \$100 then there are a lot of families in the lower income bracket who perhaps would have felt they had been done a kind gesture. It hasn't worked that way, we are doing it this year. There has been a slight change in the scales. The Government think this is fair, my Honourable Friend Mr. Bossano thinks they haven't been fair that the whole structure should be rearranged.

HONOURABLE J BOSSANO:

The Honourable Member does not need a computer to arrive at the conclusion that if you are paying \$50 in the \$100 in tax and I am paying \$20 in the \$100 in tax and we both get an improved allowance of \$100 you will save \$50 and I will save \$20. You don't need a computer for that. Secondly, I have said that I do not consider that what the Government has done is an in-depth study of the tax structure which they claim to have done, because as far as I can see all they have done is an exercise with two components: one is the example I have just given in the allowance, and, secondly, is the example on the bandings. Now I believe an in-depth study of the tax structure means a complete reform of the tax structure as we have had it up to now. I support an in-depth study, I think it is necessary, but it isn't what we have got today.

HONOURABLE MAJOR R J PELIZA:

Well this is what I was trying to say, Mr. Speaker, in other words, this is what I mean. He does not agree with the structure of the Government as it is today he would have preferred it another way.

HONOURABLE J BOSSANO:

Yes.

HONOURABLE MAJOR R J PELIZA:

Yes, Mr. Speaker, that is what I said before, that he did not agree with the structure of the Government as it is today and that he would have done it in a different way. Now we say that we cannot go into that, perhaps we haven't got the mathematical knowledge of my friend on my left, perhaps we need a computer as the Government does. Not only, Mr. Speaker, one, I think they have fed into it twenty different programmes and it is just, so you see, not as easy I think as my Honourable Friend on my left is trying to make it, or perhaps as difficult as the Government is trying to make it. But we are not here to tell the Government exactly how to tax. That we shall do if and when we are in Government.

So I think it fair to say, Mr. Speaker, that we have been consistent, very consistent, last year and this year. So consistent, Mr. Speaker, that when the Government has come with suggestions that by and large we go with, we have shown that we support them. Support them with not all those many reservations. Now, why the Government tries to be offensive to the Opposition I cannot understand. But of course the more they try to hit us the less they can because they are hitting at nothing. There is nothing to hit at. We are in agreement with them. How can they hit at that Mr. Speaker. Of course all they can think about is another U-turn, and so they go on on that. Well if they want to repeat it well and good, but what we say is, call it what the Chief Minister says, Mr. Speaker, skilful driving, skilful driving not a U-turn but of course when they come to the precipice, as any skilful driver would have done, they turn round and they come back on the same road. That is skilful driving, Mr. Speaker!

MR SPEAKER:

Order.

HONOURABLE MAJOR R J PELIZA:

That is skilful driving, and I must say very skilfully done too. So skilfully, Mr. Speaker, that they are now saying that they didn't turn round. And so, Mr. Speaker, I believe that even if we feed 30 different programmes into the computer, 100 different programmes, there will always be somebody who will benefit more than others, that some people will think that they shouldn't benefit for, other people think, yes, they should give it to him, even in the House itself. So what I think in fact, at least as a measure perhaps until we really find out the right balance in income tax which I think will never be, but until we find that very fine balance so that everybody is treated in exactly the same way, so that it doesn't look absolutely, shall we say, divine justice because I doubt whether we can do human justice in that respect, it is

divine justice, we have reached the point of divine justice, Mr. Speaker, until we reach that, I think that we should give careful thought to giving relief to certain people in the lowest bracket, relief. We have rent relief, Mr. Speaker, which I think is very good, because then you subsidise the tenant and not the house, and there is no question then that the person who should get it will get it. I think my Honourable Friend Mr. Bossano will agree with me there. Why can we not think of a similar device for other services like water, electricity and even telephone. I can see an old lady, who today is picking up a telephone which is, you may say, her only communication with the outside world in Gibraltar, suddenly finding that every time she picks up the phone, and it is usually these very old ladies who spend most of the time talking to their friends, their old friends, I know I can see my mother-in-law doing it very often. And I feel very sorry that the day is going to come when she will not be able to do that any more because the bill that is going to come in is going to be pretty hefty. Not only then because they have to recover everything that is being lost this year and perhaps the next. So at the beginning she is going to find it - the Chief Minister laughs but I think he made it very clear - I think everybody has agreed that we are not collecting now, we shall have to collect in the future unless it is going to be subsidised from the Consolidated Fund. He hasn't done it and he hasn't said he is going to do it and we do not know whether he is going to do it next year, and with that I agree, this is what my Honourable Friend here said. We do not know what he is going to do next year. We do not know, but even if he does do it this year or he doesn't do it next year, the time will come, Mr. Speaker, when that old lady will find it almost impossible to use that phone, because the amount that she is going to pay is going to be pretty hefty. Now I believe that in instances like that, consideration should be given to an allowance or whatever it is in the use of that particular phone, and equally I said in respect of electricity and water. Water is another matter which I think is getting more and more expensive. I am not blaming the Government for that because the cost of living is going up inevitably, but these old people find themselves in a very, very difficult situation and as time goes by they are going to find themselves even worse. If you try to help them by giving them allowances in income tax, by giving them more social benefits, there will always be the argument that you have a man with a Rolls Royce going to collect his pension. I think that may be the most equitable way of doing it and I commend it to the Chief Minister to give it some thought so that perhaps next year something can be done in that respect.

Mr. Speaker, I think I should come to an end. I certainly haven't fallen asleep and by looking at the faces of the opposite side they haven't fallen asleep either. In that respect, whether it was total nonsense or whatever it is, I have certainly made them listen which was the object of my exercise, Mr. Speaker.

Perhaps I should just finish up by making a prediction, Mr. Speaker, and I am sticking my neck out of course. I say that the reserves next year are going to be up by about £2m to £3m more than has been assessed here, and one of the reasons perhaps is because there is a lot of income tax to be collected which I don't believe the Government has taken full account of. Thank you, Mr. Speaker.

HONOURABLE M K FEATHERSTONE:

Mr. Speaker, I must congratulate the Honourable and Gallant Major Peliza. He said he was going to provide some entertainment for us and he has done so.

This debate has been a very interesting one, Mr. Speaker from the approach of the Opposition. Gone are the days of attacks of mismanagement, we have not heard that at all. In fact, the Honourable and Gallant Major Peliza says that we have now become a responsible Government. Well, Sir, I think that is a little patronising.

HONOURABLE MAJOR R J PELIZA:

Could the Minister give way. Responsible in the sense of the constitution, in other words the Ministers are responsible for their Departments which at one time they were not, we were only representative Government. There were no such things as Ministers, there were Members. There is a great difference between one and the other. It is in that sense that I meant responsible. I have always thought that the Government has been responsible in the other sense, and I am talking about Ministers being responsible, constitutionally so.

HONOURABLE M K FEATHERSTONE:

I must have misunderstood, but I got the impression last year and the year before when we were being told that we mismanaged the whole thing, that we were not very responsible.

Anyhow, Sir, it now seems that we are managing very well indeed but of course there is a very simple reason for this, we are doing what the Opposition has been telling us to do! We are doing exactly what they want! In fact it seems that the ship of state is perhaps steered by the Honourable Chief Minister, but the Captain is Mr. Isola and the radar stations of Peliza and Restano are doing all the work and telling us how to go. Well, Sir, that of course is not the case whatsoever. The case is very simple: we have been following a policy not simply since we were returned to office after the last Election but over the last nine years, since we came back in office in 1972 after the Honourable Major Peliza took his chances with the electorate and was not successful.

Sir, I would just like to do a little digression on this

wonderful word, the U-turn. I think it takes a big man to admit that he may have done something wrong and to do a U-turn. This is not necessarily saying that we are doing U-turns, but if one were to do it because one had been following a policy which perhaps one thought was right but one found that circumstances proved that it was not quite as right as one had been, and one did do a U-turn, then it takes a big man to do it. It is only the small minded man who sticks to the same old policy and never changes. And here we have a typical example with some members at least of the Opposition who continue to advocate integration, that dead duck. And however much they try to disguise the fact they have come back to the old policy of integration at every time. I suggest to them that the sooner they do a U-turn on that the better it will be, not only for them but for the whole of Gibraltar.

Sir, the Honourable Major Peliza has made a big, to use the particular word of my Friend the Honourable Minister for Tourism, a big cuffuffle about what should be the level of reserves. We all know, however much he tries to get out of it now, that in 1972 he was very proud that he had high reserves. He was extremely proud of this. Now, of course, he says he did not know very much about the things that were going on, he was really at the mercy of his civil servants, he had to take their advice, he was not an economist. I thought he was the Chief Minister at the time and that he was going to lead Gibraltar into this great new future when they came forward with their wonderful policies. I believe one of them we had ad nauseam, "high wage, high productivity." He started off giving the high wages but he did not get the high productivity if everybody remembers at the time. But then he was very proud that he did have high reserves. I will not query his figure of \$6m but I think the reserve figure was \$1.7m, so that was at least some 30% odd.

He makes much today, and perhaps this is a U-turn, that in his opinion reserves should be kept as low as possible. That might not be unreasonable to say but what is meant by "as low as possible." Perhaps he wants to say as low as is reasonably sensible, because as low as possible could mean your reserves could be zero. He comments that in business you do not have reserves. I suggest that he gets the statement of accounts of any limited company of any value, which are quite easily obtained in the stockbrokers office down the road, and he will find that practically every one of those companies does have reserves; very considerable reserves, even though they have bank loans at the same time. So I do not think it is an unwise thing to have reasonable reserves at all. One thing that must be kept in mind about reserves, as inflation is panning up the cost of the budget every year, last year our budget was some \$34m, this year it is \$40m, and that is an increase of 17%, if reserves increase in cash terms by perhaps \$1m, and that is the 17% you are no better of whatsoever. You are still at exactly the same point. So as your budget increases,

as inflation takes your costing up, then I would consider it prudent that the reserves should go up at the same time.

The Opposition made much, and this seems to have been one of the themes also of the budget, that they must take the credit for everything that has happened. The Opposition made much of the fact that they said that this year we were going to be far better off than what we estimated. It is true that we are far better off but much of this has been due to the excellent work done by the Income Tax Office in chasing up people who were slow in paying their taxes, but this of course is a one-off exercise. Once you have got a person who is in arrears up to date and you keep him that way, you do not get those big windfall inputs that you have had in one year. Perhaps we are still somewhat behind and perhaps the Honourable Major Peliza may be right that this year in chasing up again we will improve on the estimated figure of the reserves, but the time will come when people are up to date and then these windfalls will not come in. And so it will not be so easy to say, you are going to get all this extra.

We have always followed the prudent policy as regards taxation and we do not tax for the love of it. We tax only insofar as it is wise to tax and reasonably justified to tax. We followed the policy that when we had in our minds sufficient reserves, sufficient incomes to give something back to the people, we would do so, and we promised last year that we would make, and I use the word advisably, an "in depth" study into our present system of income tax and see how we could improve on the actual bandings, allowances, etc. I accept that this is not an in depth study into taxation per se as the Honourable Mr. Rossano would like, but I think his ideas are very radical indeed. I do not think they are accepted by any Western European Country and I cannot really foresee that we are going to change our taxation system along with what I might consider to be his rather theoretic Socialist lines, which may sound very good in theory but which are not so simple to administer and to put into effect in practice.

Where we said the computer did some twenty operations, of course one of the needs for these operations to be done was to say, if we do this change in the allowance or that change in the banding, how much is it going to cost us? Or how much is going to be given away? Until all that is done you cannot come to a reasonable answer of what you can afford and what is the best system to change your structure into. That is where we did the twenty operations or so with the computer. It is so simple for all sorts of ideas to come up, but one of the ideas that we have wanted to get basically is a progressive idea so that perhaps, and I hope we will be able to carry it out next year, we can do an improvement in the banding structure and possibly an improvement in the allowances as well. We want a progression, not a fluttering around, one

year do this, next year do that, without any idea of how we are doing it.

It has been commented by the Opposition, why didn't we give an improvement in Family Allowances. That is really easy to answer: the cost of living has gone up in the year by about some 8% to 8½% and if we were to make an improvement in Family Allowances of some 8% to 8½%, which might be considered justifiable, then it would mean odd amounts of pennies etc. If we were to make the improvement a £1 improvement it would be far beyond the inflationary needs, and so we said, we gave a reasonable increase last year, we hope to give another reasonable increase next year, and when we do do it next year I sincerely hope the Opposition will not come forward and say, we told you to do it last year, now you are doing it next year. I think they can take it as a reasonably good assumption that next year Family Allowances will be one of the points that will be in our tax package.

We have had, Mr. Speaker, the usual plea, tirade, cry, groan or whatever you like to call it, about the Elderly Persons' Pensions. I think this is now becoming the story of flogging a dead horse. I think the Opposition should get it firmly into their minds what our viewpoint is on this matter, not because it would only cost £50,000, but on a point of principle. After all, if they are so pledged to parity, as I have said before, Elderly Persons' Pensions would not be paid until the person was 80 years of age, whereas we pay it at 65. We have also thought that it is more equitable to give an improved Elderly Persons' Pension still taxable rather than to remove the tax and leave the pension as it is. This is not the intransigence of the present Minister for Economic Development, this is the considered viewpoint of the Government. It is a point of principle. This is a benefit which is given entirely out of the Consolidated Fund, it is completely different to the other Social Insurance Pensions which have been contributed to and there should not be any comparison between the two. It is not simply the easy way out of saying, all state pensions should be treated the same.

I would like to speak a little, Mr. Speaker, on the question of water. The Honourable Mr. Bossano has put forward, and he mentioned what he said in 1978, that the cheaper water should be given to the domestic consumer and the person who wanted the marginal costing water should pay the marginal cost. I am not going to say, Sir, that I am doing a U-turn, although I find there is some merit in what he says, though I would comment that the consumption by the domestic consumer is using very rapidly and the day may come when the consumer himself will be using some of the marginal water rather than the cheaper water, which is basically rainfall, the wells and importation.

I did a little working out of the actual water that is used by the domestic consumer who uses some 295,000 tons, and that,

using all the cheap water, is costing some £637,000. From the new prices we are going to charge for that water we hope to get back some £512,000. So there is a subsidy on using even the cheapest water approximating some £115,000 or an 18% subsidy. I also did, just as an exercise, what would be the position if we assumed that all the water used by the domestic consumer should be charged at the average cost, not the marginal cost, because the marginal cost should take in the most expensive water, but at the average cost of all water produced. That would work out to a cost figure of some £1,034,000. So under that basis we would be subsidising to the tune of some 50%. Thus, whichever way you care to look at it, Government is subsidising the domestic user of water quite reasonably and this I think is not unfair insofar as this is one of the services that perhaps can justifiably be a subsidised service because of the rather peculiar position in Gibraltar where our water is supplied by so many different sources. And I would like to comment on one small point which I consider one of the Honourable Major Feliza's rather comical remarks, in which he talked about the water that is thrown away. He said, it comes out yellow from the tap and it has to be thrown away. This of course does occur at times, Sir, not very frequently, it occurs when we have been night testing in a district and I am sure the ordinary consumer would be happy to throw away a small quantity of water, because it soon runs clear again, rather than have great leakages and great losses which are detected by these night tests.

On the question of our Development Fund, as the Honourable Mr. Bossano claims that he has been advocating, more being done by loans since 1973, this is to a great extent the policy of Government, and of course it is essential when we go for these loans, as I said last year and has been proved this year when we have actually gone for loans, that we must have, not credibility because of good reserves but credit-worthiness. People have got to see that we can manage our affairs properly. And bankers, who are hard headed businessmen, basically look at the accounts of a Colony, or the accounts of the Territory to see if they are in a good state and they can see that affairs are being managed on a reasonable basis much as a bank would hope to see them being run.

And so, Sir, in spite of all the Cassandra's in town, we have presented our Finance Bill, what is being called by some as the revenue raising measures. I would almost call it, Sir, the revenue lowering measure, because we are raising only two areas, one of them the tax on motor car licences, something which is not unreasonable. If you can afford the luxury of a motor car you can afford a reasonable figure for the road tax. I would agree with the Honourable Mr. Bossano that the motor cyclist should pay a reasonable figure. Unfortunately I don't think however high you were to put this, you would really stop these rather dangerous machines charging around Gibraltar, possibly to the detriment of the rider, but also to the danger of other people.

The other tax which we are putting on is gambling. I think we are closing one of the loop-holes in the extra tax we are putting on the football pools because there was the loop-hole before that if you paid over £1, you only had to pay, I think it was fifteen pence, and some people were doing what is called a standard instruction coupon, in which they said, I want the same team every week and do it for thirty weeks, the cost per week is £1.50: thirty weeks at £1.50 is £45.00, and yet only 15p tax was being collected. And that is the reason why we are now putting the tax at 5p extra for every extra £1 above the first £1. That is to close the loop-hole. It is not any specific tax against the pools as such, and as far as the increase of tax from 10-15%, well if you enjoy a flutter I think you can easily afford a little bit more for the Government coffers, and if you win, well, I am sure that you're quite happy anyway.

Against these two modest increases we have £2½m at least being given away in income tax: an unquantifiable amount being given away on an improved Estate Duty System; a small amount being given away on not applying way-leave; and on exempting a number of articles from duty at importation through Waterport.

So, as I have said, the Cassandras who were rushing around and saying that cigarettes would probably go up, and alcohol would go up, turned out to be unwarranted in their expectations. I said two years ago it was a moderate budget, I said last year it was a mild budget, this has been almost a give-away budget. So much so that nobody can find fault with it, not even the Opposition.

HONOURABLE G T RESTANO:

Mr. Speaker, the last speaker began saying that he was surprised that this year he hadn't heard any attacks on the Government for mismanagement. I agree that perhaps the word mismanagement was not used at any stage, but if he had at any time followed the arguments or the Opposition with regard to power development in Gibraltar, he would have realised that the whole emphasis of what the Opposition were saying, and I am taking power as just one example, was in fact complete mismanagement by Government and lack of planning in the past.

Then he went on to talk about U-turns, which is word that the Government clearly has not liked this year, and he said that it takes a big man to do a U-turn. He further asked the Opposition which of course is not the Integration with Britain Party, but he asked the Opposition to try and do a U-turn on Integration. Well, as I say, the Opposition is not the Integration with Britain Party, but I do remember, if I remember correctly, I think it was in 1969, I think it was after the 1969 election, when during the ceremonial opening of the House of Assembly, the then Leader of the Opposition who, is now the Chief Minister, rose and when he gave his address he said that he had been elected in his consideration into Opposition to fight integration. Yet

this is the same person who introduced integration of wages since 1969. Of course, it's ironic that. He was pushed and he was goaded into it by various quarters, but eventually he had to give way. But he never agreed that it was a U-turn.

The Honourable Mr. Featherstone also spoke about the reserves and compared the 1972 position with the present position. What I think he forgets is that there is a complete difference between the situation in 1972 and the position today, and that basic difference is the cash-flow problem. In 1972, there were always problems with cash-flow other than perhaps import duties. Import duties used to bring in the cash-flow, or at least a certain amount of cash-flow to the Government then, but in those days of course, there was no Pay-As-You-Earn. And Pay-As-You-Earn of course since this introduction has considerably improved the situation of the Government as far as cash-flow is concerned. We see in the estimate what a great amount is being collected throughout the year, weekly even, or monthly, by the Government on the Pay-As-You-Earn structure. In 1972 of course the Government had to wait until the end of the financial year, until it had distributed the income tax returns, and then a further period of time before it received that money back. So the cash-flow problem then was a much more serious one than it is today, and, therefore, it was more necessary then to have a larger degree of reserves than is necessary today, when the cash-flow is in a much improved position.

The Honourable Mr. Featherstone then went on to talk about water. Of course, I am not surprised that he failed to mention the committee that he chairs, that long lasting committee, Select Committee of this House on losses of potable water .....

MR SPEAKER:

I don't think that this was a Select Committee of this House.

HONOURABLE G T RESTANO:

It was certainly convened after the last election. It may not have been rectified in the House I agree, but certainly those of us who convened immediately after the last election were certainly led to understand that that particular committee was going to continue. In fact, we were only waiting for .....

MR SPEAKER:

No, what I mean is that it is a Government committee not a committee of the House.

HONOURABLE G T RESTANO:

It was a committee of the House, Mr. Speaker.

MR SPEAKER:

With due respect, I don't think it was. I think it is a Government committee.

HONOURABLE G T RESTANO:

In any case, be that as it may, certainly that committee has been allowed once again, once again may I add, to lapse completely by the Chairman, by the Minister, who once I remember had to resign from that committee because, obviously, there was no interest from the chair and now we would have had to wait a year before a further meeting has been convened.

Why it is that the Minister seems to keep losing interest in really such a vital area, because although, and I know it has been pointed out in the Principal Auditor's Report that in the last year the losses of potable water have decreased, I think never a position where complacency should creep in.

Now the other point on water which the Minister mentioned was that thrown away. He referred to my Honourable and Gallant Friend's example of dirty water, but of course he mustn't forget also that a lot of potable water is thrown away during power cuts when salt or brackish water cannot be pumped into certain stations for use in toilets and people have had time and again to use potable water for that particular service. That is also throwing water down the drain.

Mr. Speaker, I don't want to make this a long contribution. Most of the points made on income tax and most of the revenue-raising measures have been touched upon in detail by my Honourable Friend Mr. Isola, Mr. Loddo and Major Peliza, and I want to avoid repetition, but there are two specific points that I want to correct in the statement that the Chief Minister made at the beginning of this debate. The first one is in paragraph 4, when he was mentioning the Committee System, he said: "If in keeping with our views on a Committee System, individual members of the Opposition had contributed to yet another successful and relatively painless budget," and I will leave it at that, I don't think the rest is relevant "they could have claimed some credit for it." If the Chief Minister had said that members of the Opposition contributed to a successful and relatively paying budget, I would have agreed with him, but to have the affront to suggest by using the word "yet another," that for the last four years we have had anything but successful and relatively painless budget, is absolutely tremendous. Year in, year out for the past four years and that is what he is trying to imply by the words, yet another, year in year out, for the past four years, we have had very severe budgets indeed. We have been saying almost every year, we have had increases in electricity, in water, in telephone, in tobacco, in spirits, in beer and a whole host of other areas, and really for him to come along now and say that here is yet another relatively painless budget is an affront to the people of Gibraltar.

We know, and we have said so all along, we have said so earlier in the proceedings of this House, that we consider that

over the last three or four years the people of Gibraltar have been overtaxed. They have been overtaxed, and a result of the overtaxation, in our view, is the very large balance and the reserves that the Government find today, which is a reason why it can now this year present what I agree with him, is a relatively painless budget. But it is only because there have been overtaxation in the past. So that to say, as I say, that it is "yet another", is a statement which I cannot agree with and I thus bring to the notice of this House.

Now the second inaccuracy, specific inaccuracy, that I want to bring to the notice of the House is contained in paragraph 10 of the Chief Minister's report, when he said, "The Opposition does not charge us with making a U-turn in increasing charges for water. One must accordingly assume that the Opposition does not disagree with this increase, and one can only go on to assume that in spite of its disclaimers, the Opposition would have wished us to increase electricity and telephone charges as well."

That is a mischievous statement, Mr. Speaker. A mischievous and inaccurate assumption as well. Not ever, at least whilst I have been in this House, has the Opposition ever agreed to any increases in Electricity and Telephone Charges. We have agreed this year on a package as a reasonable Opposition. I will say it later on, I will not say it now. All I want to say now is that it is a mischievous assumption and allegation which the Chief Minister has made in this statement, and I just wanted to correct that wrong impression that he tried to give.

So much for the inaccuracies. One further point in his statement which I would like to bring up because it is a matter of policy which I would like clarification on. I remember some years ago the Honourable Mr. Canepa talking about Funded Services, said in the House that his own view, as a socialist, was that the .....

HONOURABLE A J CANEPA:

Mr. Speaker, if the Honourable Member will give way. I am sure that the Honourable Member, unless he quotes chapter and verse must be mistaken. I have never described myself as a socialist. I have always described myself as a social democrat. I challenge him to produce evidence of such a statement, where I have described myself as a socialist. Once again I am consistent. I have never done so.

HONOURABLE G T RESTANO:

Would he not agree, Mr. Speaker, that he has always said that he has adopted socialistic policies?

HONOURABLE A J CANEPA:

No. Sir.

HONOURABLE G T RESTANO:

Well, I cannot quote chapter and verse here. I haven't looked into that, but I will agree and say, social democrat, his socialistic democratic policies led him to believe, and if I am wrong now I would like a correction because I distinctly remember him saying that he felt that there should always be subsidies to a certain extent in the Funded Services.

HONOURABLE A J CANEPA:

In particular, Mr. Speaker, I think I cited, Water, but I do not think that he will find my stating that the Electricity or the Telephone Service should be subsidised. Water, I very much agree because of special difficulties.

HONOURABLE G T RESTANO:

I am glad to have that confirmation, Mr. Speaker. That is why I find it rather peculiar and surprising to see paragraph 12 of the Chief Minister's statement, saying: "The Funded Services" in the plural, "will have to pay for themselves sooner or later." I wonder whether here there is any change in policy either of the Chief Minister on the one hand saying that now the Funded Services must pay for themselves, or whether the Minister for Economic Development has changed his policy and he now no longer believes in what he has confirmed just a few moments ago, he stated some years ago.

I want to know whether it is the Chief Minister who keeps fundamentally to this principle which he has now elaborated in his statement that the Funded Services, that means all of them presumably, will have to pay for themselves sooner or later, whether the Minister for Economic Development believes in that, and whether he believes that the Funded Services will have to pay for themselves, and whether he has changed his mind in tune with the policies enumerated here by the Chief Minister.

HONOURABLE CHIEF MINISTER:

I am very glad for the opportunity because it will certainly shorten other things perhaps to say that I have not changed. What the paragraph says is the Government's aim of policy, and in fact I agreed earlier in the course of the debate with Mr. Bossano that in particular we had to make provision for services that had to be independent because they were not entirely economical. I say that as an aim of policy. But then I go on to say, "the extent to which and the speed at which this is achieved is a matter for the political judgement of the party in office." That is exactly what we are doing.

HONOURABLE G T RESTANO:

I take it then that this is confirmation that the Government

as a whole collectively believe that all the Funded Services will have to pay for themselves sooner or later.

HONOURABLE CHIEF MINISTER:

As an aim of policy this should be. We are not writing the Bible here, we are only talking about aims of policy. If we have to change within that aim of policy in particular circumstances we do so. We do not have to apologise about that. We have said clearly on the Funded Services in this particular year the reasons why we haven't done it. There may be reasons why some of them may be subsidised permanently, but the aim should be that they should pay for themselves.

HONOURABLE G T RESTANO:

In that case, Mr. Speaker, I must say that as far as the Minister for Economic Development is concerned, as far as the Potable Water Service is concerned there is another U-turn. He will have to accept the collective policy of the Government to make the Funded Services on Potable Water pay for themselves.

HONOURABLE A J CANEPA:

But Mr. Speaker, if he will give way. That does not have to be done just by increasing charges. If now you have a new power station as a result of which you are going to be able to use exhaust heat for distillation, and if the cost of distillation is going to go down considerably, that will mean that you are running the service rather more cheaply. If you have a year in which you get 60 inches of rain and the cost of importation goes down, and if deep drilling is successful, and I hope we continue to find water and not oil, because that will add to our problems, then you might be able to bring costs down. It does not just have to be done by increasing charges year after year after year. That is a way of making the service pay for itself.

HONOURABLE G T RESTANO:

That will be the day, but there are also two different policy statements by the Minister. On the one hand he said earlier that he held to the view that he had put forward in the House that there should be a subsidy on water and now he says he changes it round a bit. I wish he would also change round his policy of the Elderly Persons Pension.

In his contribution he brought in once again the red herring of the rich versus the poor on Elderly Persons Pension. I think that he is quite correct in saying that if the Elderly Persons Pensions were made tax-free, as we are on this side of the House would wish, yes, some people who are rich would definitely benefit. Of course they would. At the same time those people who are not well off would be helped to a considerably greater degree, in the same way as he refuses

time and again to answer what we have to say on this side of the House about the Social Insurance Pensions, where there are people in the Social Insurance Pensions, who receive their pensions tax-free who are very well-off. They get their pensions tax-free as well as those who are less well-off. Why is there this distinction which comes in time and time again, particularly from that Minister, saying that with the Elderly Persons Pension it would be only the rich that would benefit. Why is he never completely honest and admit that in the Social Insurance Pension, which is tax-free, there are a lot of people who are wealthy and who are getting it tax-free.

We consider that this is an unfair situation and I will give an example just to illustrate what I mean. Let us take two pensioners taking jobs side by side in a particular company, doing the same work together: one receives an Elderly Persons Pension because for whatever reason he was not able to join the scheme during his lifetime; the other working next to him was able to join the scheme at its due date and is receiving a Social Insurance Pension. Perhaps the first one is taking a job after having reached retireable age because he needs an extra income, an extra revenue, in order to make ends meet, perhaps get a few of the small luxuries that people of that age are worthy to receive, and perhaps the second one has got sufficient income but he feels that he has got enough time on his hands and he wants to do some work. What is the net result? Both are getting the same salary from the firm, one gets Elderly Persons Pension and that first of all is taxable, and, secondly, it increases the amount of PAYE that he has to pay because it puts his bracket up, whereas the other one, who is getting a much higher pension under the Social Security Scheme, which is tax-free, is not only getting it tax-free, and therefore not reduced by a certain amount like his neighbour's, but on top of it his PAYE structure is lower, so he is paying less tax. Is that social justice, Mr. Speaker?

We have had another excuse, that those who are obtaining Elderly Persons Pension never paid any contributions. That, I agree. They did not. And that is why their pension is considerably smaller and of a considerably smaller value than the pension received by the person who did contribute under the Social Insurance Scheme. Let us not forget, Mr. Speaker, when we are talking about contributions, that we in this House not so long ago voted for ourselves pension benefits and that certainly I would have thought that for members who have served as long in this House as some of those in receipt of Elderly Persons Pension served in working, that the non-contributory pension, for members of this House will be far greater than those of the Elderly Persons Pension. Let us not forget that. So really at the end of the day there are two principles involved. One, the principle of the Government. The principle of what I consider to be obtuseness and pig-headedness. The principle as stated by the Honourable Mr. Featherstone earlier of flogging a dead horse. No, he is not flogging a dead horse

he is flogging a pensioner, that is what the Government is doing, flogging the elderly persons pensioners. Our principle is that all state pensions should be the same for all. We are not saying that they should all get the same amount of pension: if a man has contributed then obviously he should get a bit more in return, but the Elderly Persons Pension should certainly not be taxed in the same way as the other two state pensions are not taxed.

Mr. Speaker, I have two points on revenue raising measures and I don't think either have yet been touched upon. One is the Government Stores Rent and I do have a query here which I hope the Honourable Financial and Development Secretary will be able to answer in his reply. The changes that are now being envisaged are that first of all there is an increase; and the second one is that instead of levying various rates for different items it is proposed to charge 15p for every month or portion thereof per cubic foot or part thereof. I am not sufficiently aware of the workings of the Government Stores Rent but it would appear to me that this could well be giving those individuals who store perhaps small items of perhaps high value a very great advantage as compared to other traders, perhaps, who may be storing in Government Stores bulkier items, which perhaps may by their very nature be of a lower cost and which can absorb less of an increase. I wonder whether there is not a punitive element here for shall we say building materials. One can store now a piece of jewellery for really a fraction of the amount which is being levied and that jewellery perhaps is of an intrinsic high value, and yet will be paying such a low fraction that it is insignificant in the intrinsic cost of the article, whereas building materials being stores in Government Stores are of an intrinsically lower value but they will have to be paying a lot more because their cubic capacity is greater. I do not wish to jump to conclusions but I would like the Honourable Financial and Development Secretary, if he could, to give us a bit more amplification on the results of this proposed change in structure. I know that in the past there was considerable negotiation between the Government and trade generally as to which items could afford to pay a little more and which could afford not to pay so much for rent in Government Stores. I would like to have amplification on that.

The next item, Mr. Speaker, is the increase in the Government Lottery. The Lottery Committee, of which I have been a member for over 15 years, met on 13 February 1981 and in the agenda it was asked to consider a restructuring of ordinary draws for the lottery. In the accompanying notes to the Agenda - and I would like to read it out - amongst other things it was said that "Government considers that there may be a case for restructure. Value of prizes is being eroded by inflation and the profit accruing to Government is in addition being affected by increased costs." The Lottery Committee then proceeded to look at the two options which had been laid before it by the Government side. Option A was as has been exposed by the Financial and Development Secretary an increase from £2 to £2.50 with a first prize of

£20,000; a second prize of £3,000; and a third of £1,500. The second option was for the 19,000 tickets, but in this case at £3 with a first prize of £25,000; a second prize of £4,000; and a third prize of £2,000. The Committee looked into both options. They took the decision which they felt was the right decision, they considered that the second option of putting the tickets up to £3 would be a more attractive proposition because in its view the Committee collectively felt that what attracts most punters to buy lottery tickets is the first prize and the higher the first prize the more punters can be made available, in this case £25,000. The Committee then suggested and proposed to the Government that that should be the new restructure.

I know that it is the complete and utter prerogative of the Government whether it should accept or reject the advice of an Advisory Board. After all the Advisory Board is there to advise and the Government is there to take the actual decisions, but I would have thought that as a matter of only mere common courtesy and consideration that should have demanded at least from the Government to the Committee, which after all are men and women who are there trying to work in the interest of the Government and of the people, and who do a very good job, I think it would have demanded at least a letter informing the Committee that the Government had not seen fit to accept the proposals made by the Committee and perhaps given even a brief explanation. There isn't such a great deal of principle but it does must say affect the sensibilities of people, who do spend after all a lot of time during the year one way or another, to find that their option was not accepted, but at least that there should have been a comeback, that there should have been no information, no explanation. And if I may say so if this is any indication of the way that the Government and the Chief Minister would have applied his Government to the Committee System that he was proposing earlier, then all we can assume is that any Opposition accepting that sort of attitude would be wasting its time. The application in this particular case, if applied in the same way, shall we say, to a Committee System would have been that the Opposition would be doing a lot of work and the Government at the end of the day would either accept or reject as it wished.

I wonder when the DPBG is elected in 1984 to Government what the reaction would be from the AACR if when we were in Government we were to suggest to the AACR, would they like to come into the same sort of Committee System, would we see the same consistency in 1984 were that to happen, that some members opposite have said there is consistency in their estimation and control of the financial affairs of Gibraltar. I think that there may well be a very different reaction.

Mr. Speaker, I reiterate again, it has been a mild budget. Our support of the Bill is based on the package deal that in this instance the Government is giving back to the people more

than it is taking away, but let us not forget that the net gain which taxpayers will receive from the Budget measures will definitely be eroded to a certain degree by the very high increase that we have faced recently in rates. Thank you, Mr. Speaker.

HONOURABLE H J ZAKMITT:

Mr. Speaker, Sir, I will be very brief as usual, but there are just a few little points that have come out during the Finance Bill.

The first thing is that I think the Opposition should not congratulate themselves as a result of the betterment that Government has done since the last Budget for one very simple reason, and that is that if they look carefully, or if their memories can go back just a mere twelve months they should not assess it as triumph for themselves because they face no responsibility inasmuch as they voted against every revenue-raising measure. As such the attributes and credit, if anything, must fall squarely and fairly on those who have to have the responsibility of coming to this House and of being able to obtain the money by the majority that Government possesses and not through the assistance of the Opposition, who, I repeat, voted against every single revenue-raising measure. Therefore, Mr. Speaker, there are many things that one can say at Budget time and one can pat oneself on one's own back and say that we the Government are the only people who can take full credit for the well-being of our finances particularly in the 1980/81 Estimates of Expenditure and Revenue. I would like to repeat, and I remind Members opposite, that they voted against every single revenue-raising measure and, therefore, the credit that they claim goes overboard.

Mr. Speaker, the Honourable and Gallant Major Peliza who I must say always brings affectionate smiles from Members opposite, and on both sides of the House, does add that spice of life, particularly after lunch which I think the House needs, but there are some things which as I did interrupt, Mr. Speaker, and you called me to order, there are some things that you can say easily when you are in Opposition that you cannot equally say when you are in Government. Looking through Hansards of the Budgets right back to when I came into this House in 1972, it is remarkable how politicians have the ability to change their attitude according to the seat they hold. I will remind the Honourable and Gallant Major Peliza, and I say this because he did mention looking at the Gallery - all two of them that were here at the time - why we did want all these millions of pounds in the Consolidated Fund, and I think the impression can be given to the general public that it is money that we just have there, there is no real need, he mentioned that it was an impossibility that we would ever have to dig into that kind of reserve. Well, Mr. Speaker, I did a little bit of research and I will remind the Honourable and Gallant Major

Peliza when he was Chief Minister of Gibraltar of the 27 March 1972 in the Budget debate and he said, and I quote: "That was the position that we inherited from the previous Administration. So you can imagine how jubilant I find myself today to realise that from a deficit of such magnitude and finding our balance down to £700,000, I now come to this House and to say that as it looks today the revenue balance of reserve will be £1.4m, this is after putting £300,000 into the Improvement and Development Fund. So in fact if we had not done that we we had wanted to show this as reserves we would have had £1.7m today, an astronomical figure for Gibraltar never having been reached before. What surprises me is that this, which in my view is the highlight of these Estimates, has not really been made public yet and the best I have seen so far is in the Gibraltar Chronicle, nothing else has come out and I have not even heard the figure on television or on radio news. I just cannot understand it because it was printed in the speech that was given by the Financial and Development Secretary.

MR SPEAKER:

With due respect, you must not go on reading Hansard like that because we are just reproducing it here.

HONOURABLE MAJOR R J PELIZA:

On a point of order, Mr. Speaker, isn't that repetition? Did not the Chief Minister read that report?

HONOURABLE H J ZAMMITT:

I cannot recall the Chief Minister having read this, Mr. Speaker, but what I am saying is that when I was called to order by you, Sir, previously, is that what he was saying today is certainly what he didn't say in 1972, and that is what I think the people of Gibraltar do not deserve and that is to be swindled by the positional seat one holds in this House.

MR SPEAKER:

Order, you will withdraw the word swindled.

HON H J ZAMMITT:

I will withdraw the word swindled, Mr. Speaker. I will say that the Honourable Mr. Loddo did mention before that people had gambled their future with us. I do apologise for the word swindled. What is not tolerable I think is that members can dance a tango according to their own tune. That is not on, Mr. Speaker. There must be some fundamental argument and we must not allow our credibility as politicians to be misinterpreted by the general public just because it suits us to hit each other, and that is wrong.

HONOURABLE MAJOR R J PELIZA:

I think the Minister possibly wasn't listening to my argument. I think I made a very good exposition of why that was said then and why the same just does not apply today. If he had been listening to my contribution he would have heard that. And again if all the defence we have is reading the same bit of Hansard not only this year twice but last year as well, it seems that they have not got a very strong argument, Mr. Speaker.

HONOURABLE H J ZAMMITT:

Mr. Speaker, the argument will be that if I have to repeat that same thing again next year I certainly will, because what I am trying to say is that we cannot allow the general public to feel or get the impression which is going round Gibraltar today. It is very easy to blow people's ego up by saying, it has not been a bad budget but it could have been better, they have got £8m. or £9m. and they could give it away. What I would like to know is what was the Honourable and Gallant Major Peliza going to do with £1.7m. in 1972? That was ten years ago, it is now history and we must forget it! The point I am trying to make is that it would be a very happy day for Gibraltar the day that the general public can see this bickering stopping. If we are realistic and honest with ourselves then I think we may gather a little more concern if not respect from the general public. We just cannot be saying that what is white today is black tomorrow.

Consistency, I just cannot see it. Looking through Hansard, as I said earlier on, the amount of repeated words; it was red herrings I think in 1972 up till 1976; then we had something else and now it is U-turns and we stick to these things. Therefore, Mr. Speaker, that is the point I would like to make in this Budget. I have always listened very carefully to Members' contributions since I have been in this House and some members put in a lot of logic. But there are others of course that just come out because I think if we fail to stand and make a contribution here then we should not be here. I think that is not the case. Providing they can give you something of substance, certainly it is of some importance, but to stand up and say things which next year, unless people read Hansards, which I find they don't, otherwise they wouldn't repeat what they said last year, it is repetitive, and it does not give the people outside the kind of leadership that all members of this House should offer to the people of Gibraltar. I do not think it would be proper, and no doubt we will hear it on television on Friday, "Government should give you back another £300 or what have you." I think the sensible person in Gibraltar realises as no doubt, they realised in 1972, that there was a need for £1.7m, people will realise that we can only stand on our own two feet if we have a healthy economic state. I think we all have to agree to that, there is no other argument. In fact, the arguments in the past have always been that we have been too weak financially.

So, Mr. Speaker, having said that, one other point I would like to take up with the Honourable and Gallant Major Peliza on his intervention this afternoon was that we should put more into tourism.

The other last point I would like to tell the Honourable and Gallant Major is that the Minister for Economic Development who he praised in one breath and criticised very severely in the other, should not become Minister for Tourism. I say this quite clearly we don't jockey for positions, I can assure the Honourable Member, since I have been in the AACR I have not pre-conditioned the Chief Minister by saying I want one post or the other, it is up to the Chief Minister's better judgement to put us up where we are best suited, and most of us if not all of us have proved our ability in whatever Ministry we have been appointed to. But, Mr. Speaker, to say that it is proper to have the Minister for Economic Development together with the Minister for Tourism makes me wonder why during Major Peliza's time as Chief Minister, Major Gache .....

MR SPEAKER:

No, no, we are talking on the Finance Bill. With due respect you must go on speaking on the Finance Bill. You will not mention that.

HONOURABLE H J ZAMMITT:

May I just ask a question. I may be wrong and if I am I shall bow to your ruling. Did the Honourable and Gallant Major Peliza not say that he was asking the Chief Minister to make my colleague the Minister for Economic Development Minister for Tourism?

MR SPEAKER:

I am sure that rightly or wrongly he feels that in the present circumstances it would be the right and proper thing to do. But it does not entitle you to bring up whatever anyone else has said four or five years ago because otherwise we shall just be having debates within debates, and that is what is happening in the House and one must put an end to it somehow.

HONOURABLE H J ZAMMITT:

Sir, but certainly it is a very awkward situation because .....

MR SPEAKER:

May I say, and perhaps I am being slightly unfair to you. In other words I would not like you to do what you have just been complaining about. Literally throwing things at people and debating things that are not really relevant. You just said it about five minutes ago and you are now falling into the same temptation.

HONOURABLE H J ZAMMITT:

Again there is inconsistency there, and, therefore, Mr. Speaker, I think that this particular budget has been one carefully thought out, carefully planned, the credit of our success falls on this side of the House, as I said at the commencement of my intervention, totally on this side of the House, the Opposition can claim absolutely no credit for having refused to go with Government on the revenue-raising issues last year and, therefore, Mr. Speaker, I hope the Opposition are proved right next year in saying that we may have another £2m or £3m. I sincerely hope we have. It will be for the betterment of the people of Gibraltar if we have another £2m. or £3m. over in the 1982 Budget.

MR SPEAKER:

Are there any other contributors on the Second Reading of the Finance Bill?

I will then call on the Honourable Chief Minister to exercise his right of reply.

HONOURABLE CHIEF MINISTER:

Mr. Speaker, I am one who believes in avoiding unnecessary repetition. I think if you say the same thing ten times it is about enough.

Mr. Speaker, before I deal with the few points of substance which have been raised I want to deal with the remarks of the Leader of the Opposition to my opening address, and let me say that I hope that I will not be contradicted if I claim over a period that I am normally helpful, conciliatory and accommodating to Members' convenience and not quarrelsome. But really, Mr. Speaker, the performance of the Opposition in this Budget session made me taunt the Opposition deliberately this year. It is not in my nature to do so but I did it deliberately and I am quite sure that had I not done it the way I have done it the attitude to the Budget would have been different. I have taunted them to try and bring them out from their ostensible sense of self-righteousness to which they give so much credit. I am glad in a sense that this has brought forward certain ideas but I can assure members that I do not propose to do this as a matter of practice. I have never done it before but I thought that this time they did deserve a little taunting and I am glad that that has had the effect that I meant it to have.

With regard to the question of my opening remarks about the popularity of my party, I think the Minister for Economic Development dealt with that and I do not like to be personal, I will try to avoid repetition as much as possible. I think he dealt with this question and I think he dealt with my claim on the first paragraph of my remarks fully and justifiably.

But I must say that the Leader of the Opposition, from Independent Right-Winger to Groupist, to IWEP, to DPEG, Leader by Omission, hardly can claim that his Party has won great popularity. Therefore, I leave that without further remarks. I think the point has been made. But I challenge him and any member, for the future - I shall certainly not be around - to have a record of service to Gibraltar that the AACR has had since its inception. There may not be the opportunity to have that repeated.

To the more substantial points raised by the Leader of the Opposition and others in respect of the debate I have summarised some points very briefly. In his statement the Honourable Mr. Isola said that the Government was taxing the people of Gibraltar unnecessarily harshly and that the Budget was bound to produce far more revenue than we expected. I think in this respect I must draw the attention of Honourable Members to the explanation given by the Financial and Development Secretary of how these tests of estimates are made and how they are collated, studied by a number of people in the staff, and how it is the best that can be produced. I can assure the House that there is no political intervention in that matter whatsoever. The Estimates are the Estimates of the Treasury and if they are under-estimated, well, that is one of the hazards that have to be taken one way or the other.

He also said that there had been an under-estimate in gauging the tax that could be got from the wage review. Well I think that we have made quite modest provision but likely to be what is the norm in England and for which there is this difficulty coming on now; 7½% for three quarters of the year, and 10% for a year. I hardly think that parity, as things are developing in England this year, will bring settlements of much more than 10%. Indeed the big problem that is going on now about Civil Servants is the very rigid attitude of the British Government to the 7% norm that they have established.

The Honourable Member and Mr. Bossano both made a point with which I agree, the Landlord and Tenant Legislation requires revision. Mr. Bossano said that there was an element of it that required enforcement. I did say two years ago that the matter was being considered. In fact we have made a certain amount of progress in this respect and I hope that we will be able to bring, if not a full revision of the Landlord and Tenant Ordinance which would require a considerable amount of further study, certainly amendments to deal with the worse aspects of it in the course of the year, hopefully, after the summer recess. But it has been something that has required a considerable amount of work.

I think the Honourable Mr. Isola mentioned the possibility of a Select Committee. We will look at that if necessary. It may well be that the far-ranging ones require it because it affects people, property, etc. It could well be that this would be a

way in which the matter could be looked at. I do not reject the suggestion just because it has come from the other side. It is a thought that we could be looking into when the time comes.

The question about Family Allowances which had been raised earlier has also been explained by the Honourable Mr. Featherstone. I do not think it requires my mentioning it further.

I also dealt with the question of ODA in the other debate and I think we stand a good chance of having early talks.

The idea came from members opposite that the Aid talks would not take place until the end of the year, a matter which we know nothing about. The Honourable Member has been told by some visiting fireman or other but certainly we have not been told. Certainly we have not had any indication that it is postponed to any period. What we are expecting is a reaction to the Aid submission and we certainly would consider that if we did not have a reply in the course of the next month or so, we will be urging for a reply. We do not accept that, and although I am not inclined to prophecy in respect of the Spanish question, I am afraid I was misquoted in the Chronicle as having said that the Aid talks would be at the end of the year and that by that time the frontier would not have been opened. I do not link one thing with the other but certainly I have given no indication one way or the other that the frontier is going to be opened or not opened. I would be equally surprised in either instance, so I was not giving any indication or any ideas about the question of the opening of the frontier. There are unpredictable reactions sometimes when one has got to keep one's options open and ready for whatever happens.

The Honourable Mr. Bossano made some remarks with which I entirely agree about the policy that we are following and the one which certainly was the practice in the Municipality, and that is that long-term investments are paid by loans spread over the year to cover redemptions of loan charges and interest, and this is the practice that I thought had always been the case. Unfortunately, from time to time that has not been followed but I am very happy that this is being followed now because it is a much fairer way of raising these loans. It does not make the present taxpayer pay for the benefit of that future taxpayer will get, although of course every Budget must have an element of capital works paid out of the recurrent revenue because it always happens the same. But insofar as things like IDD, the Power Station and assets etc. or matters of deferred expenditure, like the big roadworks etc, it would be unfair to tax the particular taxpayer one year to pay for something, an asset, which could last for some time. In that respect I am glad that our policies meet with the approval at least of the Honourable Mr. Bossano.

One or two things before I finish, on the question of the

Committee System and the matter that was raised by the Honourable Mr. Restano, towards the end. In the first place I have found out that the Chairman of the Lottery Committee was written to and informed of the decision of the Government to accept the second of the options taken. I would like to take this opportunity of thanking all the members of the Lottery Committee for the work they do, day in, day out, and unlike the Honourable Major Peliza who when he took office promptly dismissed me from the Lottery Committee in which I had served for a number of years, I have never interfered with the continuing presence in the Lottery Committee of the Honourable Mr. Restano, whom I know takes a great interest and makes a good contribution to the Committee, and for that I am thankful.

HONOURABLE G T RESTANO:

If in any way the Chief Minister is implying that I should not be in the Committee I will resign straightaway. I will have no hesitation in doing so.

HONOURABLE CHIEF MINISTER:

I am not saying that. Of course I could have asked him to do that four years ago, but I am not saying that. I am only saying that in reply to the fact that he has made certain accusations about our not taking the Committee's recommendations and what would we do otherwise in the case of the Committee System. Well, that would be a completely different set-up and this is an Advisory Committee. May I say, too, that the Chairman came to see me before the proposals were put to the Committee and discussed the matter with me and I did tell him that I thought from my experience that the Treasury would take the more cautious of the two proposals and advice would be given on that system. He said he would be quite happy whichever of the two were taken but of course he thought the Committee would recommend the second. The fact that the first choice of the Committee was not accepted is no reflection on the Committee nor has there been any attempt not to deal with the Committee with full courtesy and gratitude for the work they do. As I say I understand that the members were told, perhaps the timing was not very happy because the meeting was very close to when the question of the budget measures were being taken, and perhaps the announcement by the Financial and Development Secretary followed very closely on the information given to the Committee of the acceptance of the second suggestion, because they put two and we accepted the second suggestion.

As I say we are grateful to all members of the Committee for the work they put in and I would like to say, having served on the Committee for quite a number of years, that one of the psychological results, and I am sure the Honourable Member who raised it realises this, one of the psychological difficulties about the question of the increases is that if you make the wrong decision and you overstate the thing, and

there is more lottery than there is demand for it, then the whole psychological effect of play goes down and in fact in order to maintain the full number tickets being taken up by the public, there must be at least an idea that lottery tickets are scarce. If there is any idea that lottery is too plentiful then people are less inclined to buy than otherwise. It is psychological but it has its effect and we did suffer that at the beginning, in 1947, when we went in for a very big ambitious scheme prepared by an Honourable Member who has served in this House and is related to one of the Honourable Members opposite, and then we had to go back to a lesser one, until then the increases started coming as people became more interested in the lottery. The fact that we have accepted the second choice is only due perhaps to being a little more cautious, having had to have the responsibility to make sure that the lottery is in continuous demand, and for no other reason.

In that respect I am sure the remarks made by the Honourable Member will not be taken as meaning that in any way the Government has been discourteous with the Lottery Committee or with the valuable advice that they give us but because it is an Advisory Committee and of course .....

There is only one thing I have to say at the end and that is that the Honourable and Gallant Major Peliza in his intervention came very near to suggesting that the extent of subsidies to services such as telephones should be assessed as compared to the individual users. He was talking about dear old ladies who are not going to be able to make calls on the telephone etc. As I said before when I resisted getting involved in the nature of the telephone tariff, that will come the day when we have metering that will be discussed here in full length, but of course if he is advocating particular individual subsidies, or rather subsidies to individuals rather than to the service in general, then of course this is a big departure of policy. We will have to have an assessment in respect of the electricity, the water and the telephone of each individual and I would think that that is a policy which is not likely to create much happiness because of the difficulty of having it implemented individually. I hope he does not mean that that should be done, but at one stage .....

HONOURABLE MAJOR R J PELIZA:

If the Chief Minister will give way. I was not thinking generally but perhaps pensioners. In the winter when they need heat and obviously because of the high rates of electricity, the consumption is high, frankly they just cannot afford it. Literally they are going through great suffering and possibly could even risk death. What I was suggesting is that the same as we have a rent relief, something like that could be looked into. Obviously I cannot propose a scheme just like that but I hope the Chief Minister will just not throw it out of court just like that. I think there is merit in it.

HONOURABLE CHIEF MINISTER:

I am not throwing it out of court, I am just wondering whether it is a new policy that is being advocated. In respect of electricity charges certainly and even of telephones when they are required, the Minister for Economic Development when Minister of Labour had repeatedly stated in this House that in assessing the increases of social benefits every time they go above the norm in order to provide precisely for these increases in addition to the fact that there is an element of discretion in the Supplementary Benefits scheme for hard cases. With regard to the question of the telephones that will be looked at when the time comes.

Mr. Speaker, on and off we have been able to carry through these Estimates up to this stage with other things happening and so on and I hope that we will be able to finish our business hopefully tomorrow morning when the Honourable Financial and Development Secretary will reply, and we can then go to the Committee Stages of the Bill.

MR SPEAKER:

Gentlemen, as you all know from the times of sittings that we circulated, tomorrow we meet at 8.30 am. So we will now recess until tomorrow morning at 8.30 am..

THE HOUSE RECESSED AT 4.20 PM.

THURSDAY THE 30TH APRIL, 1981.

THE HOUSE RESUMED AT 8.35 AM.

MR SPEAKER:

Well, I think I will now call on the Financial and Development Secretary to reply to the motion on the Second Reading of the Finance Bill.

HONOURABLE FINANCIAL AND DEVELOPMENT SECRETARY:

Mr. Speaker, Sir, there are very few points I want to make mainly of a technical nature. Much has been said both in the debate on the Appropriation Bill and also on the Finance Bill about the size of the Consolidated Fund Balance. This is a matter of judgement and a question that needs to be looked at at the beginning of each financial year. It is rather like the advertisements for shaving cream which one sees that you spray on the face, not too much, not too little, but just right. What just right is, as I said is a question of judgement, and then looking at what is just right I think it is important that we look particularly now at the projected growth in the Public Debt and the servicing cost of the Public Debt, and I

did mention the amount which these are likely to grow over the period of the next five years, and we ourselves have done projections of how we think revenue may grow and how Public Debt Charges may stand in 1985/86. What one must remember is that we here in Gibraltar have not got what one might call a lender of the last resort. Local authorities who have public debts in the UK have the Public Works Loan Board on which they can fall back if in any year, because revenue has not come forward as they expected or they have had difficulties with expenditure and costs have gone up, then they can fall back to borrow from the Public Works Loans Board to meet servicing charges. Large countries in the international field can of course go to the World Bank and the International Monetary Fund for assistance. These are not bodies to which we have access in Gibraltar and, therefore, when we are going into a large public debt and increasing public debt service charges, which I obviously think is the right policy otherwise I would not be advising the Government to pursue it, then we must have a solid base on which to go forward. And if we have not got that solid base behind us then we would be at risk.

The Honourable Mr. Bossano quite rightly pointed out that the present changes in the Income Tax Ordinance are changes within the existing structure. A point that I would like to make clear to the House is that during the review of the Ordinance we have looked at other fiscal options open to the Government. These require further and detailed study and whether or not they will feature in later Finance Bills depends entirely on the outcome of those studies.

The Honourable Mr. Restano was a little disturbed about the changes in the Government Stores Amendment Regulations. In fact the changes proposed are merely taking account of a situation that has actually taken place over the last seven years. With the opening of the Bonded Stores for tobacco and drink, the provisions in the Regulations that give separate costings for liquors, empty casks, unmanufactured tobacco, manufactured tobacco and chopped tobacco, have disappeared. Precious stones, building materials and the like have always appeared under subhead (g) in the Regulations, "other goods not otherwise specified." So this is not such a significant change as I may have led the Honourable Member to understand. If I did mislead him, I am sorry.

Finally, I have already apologised to the Honourable Member in person but I shall do so openly in the House, the fact that he was not informed before I announced in my opening speech on the Finance Bill of the details in the changes of the Government Lottery. What in fact happened was that after a decision had been taken by the Government of the new arrangements, the Secretary to the Committee prepared a letter to the Chairman and all Members which I cleared and which he sent on the Friday evening. Unfortunately, whilst it did, I know, reach the Chairman by Monday, it did not reach the Honourable Member. For that I am sorry.

Mr. Speaker, those are the only points I have to make.

I beg to move.

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

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

The following Hon Members abstained : .

The Hon J Bossano

The following Hon Members were absent from the Chamber :

The Hon I Abecasis  
The Hon A J Haynes

The Bill was read a second time.

#### COMMITTEE STAGE

The Honourable the Financial and Development Secretary moved that the House should resolve itself into Committee to consider the Finance Bill, 1981, clause by clause.

This was agreed to and the House went into Committee.

#### THE HOUSE IN COMMITTEE.

#### THE FINANCE ORDINANCE, 1981.

#### CLAUSE 1

HONOURABLE P J ISOLA:

On Clause 1, the heading of the Bill, "and generally for the financial policies of the Government." I only query that because it seems to me that there are amendments of specific ordinances. Is there any particular reason for putting that phraseology?

HONOURABLE ATTORNEY GENERAL:

Mr. Chairman, if I may speak to the point. I can explain the reason behind it. I think as a normal rule it is not desirable to inter-mix measures in one Bill and the only two cases I am aware of where it is done and in the case of this Bill, and I think last year in the case of the Administration of Justice Bill which members, as I recall, accepted was a proper case for it. There is now inter-mixing but they follow a common theme, namely the implementation of the budget policy for the year. I have said this in the Long Title to underline this point, just to show that there is a common theme behind it which is in general terms correct.

HONOURABLE P J ISOLA:

Yes, the only thing I mentioned that is because we are voting in favour of the measures but not necessarily for the financial policy of the Government except as they are expressed in this Bill.

MR CHAIRMAN:

I am delighted to hear from the Honourable Attorney General that now the Finance Bill is going to be the exception of amending Ordinances because up to his membership of this House we have had the practice of having general amending Bills. They are not related to the particular Bill which is being amended but they are general amending Bills for different Ordinances which I think causes a tremendous amount of inconvenience.

HONOURABLE ATTORNEY GENERAL:

Mr. Chairman, if I might just add something, although the inconvenience you are referring to is the inconvenience of this House. I think in another area where it causes problems is in the indexing of the laws and perhaps I might take this opportunity to say that this year, as from now on, in the index of the Laws of Gibraltar, it shows not only the Finance Bill, but if you look under the particular subject again it will also be shown there.

I think this was a point made by the Honourable Members of the Opposition last year, so we are taking care of that point.

On a vote being taken on Clause 1 the following Hon Members voted in favour :

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon P J Isola  
The Hon A T Loddó

The Hon Major R J Peliza  
The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 1 stood part of the Bill.

#### Clause 2

On a vote being taken on Clause 2 the following Hon Members voted in favour:

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon P J Isola  
The Hon A T Loddó  
The Hon Major R J Peliza  
The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 2 stood part of the Bill.

#### Clause 3

On a vote being taken on Clause 3 the following Hon Members voted in favour:

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon P J Isola  
The Hon A T Loddó  
The Hon Major R J Peliza  
The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 3 stood part of the Bill.

#### Clause 4

On a vote being taken on Clause 4 the following Hon Members voted in favour:

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon P J Isola  
The Hon A T Loddó  
The Hon Major R J Peliza  
The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 4 stood part of the Bill.

Clause 5

On a vote being taken on Clause 5 the following Hon Members voted in favour:

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon P J Isola  
The Hon A T Loddó  
The Hon Major R J Peliza  
The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 5 stood part of the Bill.

Clause 6

On a vote being taken on Clause 6 the following Hon Members voted in favour:

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon P J Isola  
The Hon A T Loddó  
The Hon Major R J Peliza  
The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino

The Hon H J Zammitt  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 6 stood part of the Bill.

Clause 7

On a vote being taken on Clause 7 the following Hon Members voted in favour:

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon P J Isola  
The Hon A T Loddó  
The Hon Major R J Peliza  
The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 7 stood part of the Bill.

Clause 8

HONOURABLE ATTORNEY GENERAL:

Mr. Chairman, I should like to move a drafting amendment to this clause. Clause 8, subclause (1), paragraph (b) the new item 5. If I can explain, it is simply to make it clearer that this, which is a duty on bottle mixtures of spirituous

liquors, is instead of the general duty on spirituous liquors in item 3. Therefore, Mr. Chairman, I beg to move the following amendments:-

(i) Insert in the new Item No 5, after the word "beverages", the words "otherwise dutiable";

(ii) Insert in the new Item No. 5, after the expression "3 and 4", the word "but".

Mr. Chairman put the question in the terms of the Honourable the Attorney General's amendment which was resolved in the affirmative and the amendment was accordingly carried.

#### HONOURABLE ATTORNEY GENERAL:

Mr. Chairman, I beg to move that Clause 8, subclause (1) paragraph (i) be amended by inserting in the proviso to the new item number 44, after the words "provided for", the words, ", at the time of importation".

If I may explain, Sir, the reason for this is that Item 44 provides an exemption from duty on goods which are imported solely for exhibition in a gallery or museum and are intended to be exported within two months. In other words goods which are brought in temporarily for exhibition purposes. If they are not exported within that time then duty becomes payable and I think it is desirable to make it clear that duty is, of course, payable at the rate prevailing at the date of importation and this amendment would have that effect. I move accordingly, Sir.

Mr. Speaker put the question in the terms of the Hon the Attorney General's amendment which was resolved in the affirmative and the amendment was accordingly carried.

On a vote being taken on Clause 8 the following Hon Members voted in favour:

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

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 8, as amended, stood part of the Bill.

#### Clause 9

On a vote being taken on Clause 9 the following Hon Members voted in favour:

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

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 9 stood part of the Bill.

#### Clause 10

On a vote being taken on Clause 10, the following Hon Members voted in favour:

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon P J Isola  
The Hon A T Loddo  
The Hon Major R J Peliza

The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammit  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 10 stood part of the Bill

Clause 11

HONOURABLE J BOSSANO:

On Clause 11, Section 15A of the principal Ordinance refers to the deduction from assessable incomes of interest payments on mortgages for owner/occupiers, and in fact the new section 15B comes under that section because it is a deduction from income on the same basis. I wanted to mention in that Section, I am not proposing to move an amendment at this stage, because what I want to say refers effectively to section 15A, and anything changing 15A would have the effect, as I see it of changing 15B, but I believe in the UK the interest deduction is from taxable income rather than from assessable income. I don't know whether this was done in order to encourage the question of the tax-relief on insurance premiums or the tax-relief on mortgage interest, but in fact there is a relationship that was introduced recently in UK where in arriving at the amount of insurance premiums that can be deducted from one's income, the amount of interest repayment on which one gets tax-relief is not taken into account in arriving at that income. So if one is allowed a proportion of one's income on which one obtains tax-relief for insurance premiums, that income is grossed up as if there was no relief for mortgage interest repayments, whereas in Gibraltar the link between the two is as it used to be in UK a few years ago, which is that if one pays more in interest repayments on a mortgage then one's assessable income comes down and consequently the amount of insurance premium that one can claim relief on comes down also because it is a proportion of assessable income. I am raising the point in the context of the Government's avowed intention of encouraging owner/occupation and giving relief to that, and I think the Government should consider, if not at this stage perhaps at some stage, the possibility of doing something along these lines.

HONOURABLE FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir, we will certainly look at the points raised by the Honourable Member although my understanding immediately is that the effect is the same. But we will look at it.

On a vote being taken on Clause 11 the following Hon Members voted in favour:

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

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 11 stood part of the Bill.

Clause 12

On a vote being taken on Clause 12 the following Hon Members voted in favour:

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

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis

The Hon A J Haynes

Clause 12 stood part of the Bill.

Clause 13

On a vote being taken on Clause 13 the following Hon Members voted in favour:

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon P J Isola  
The Hon A T Loddó  
The Hon Major R J Peliza  
The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 13 stood part of the Bill.

Clause 14

HONOURABLE J BOSSANO:

On Clause 14 on page 16, Mr. Chairman, in subsection (4) which refers to section 21 of the principal Ordinance, the amount which can be claimed by one-parent families is being increased from £400 to £500. In the case of the one-parent families what happens is that the one-parent family has effectively one-and-a-half times the allowance of the single person, that is the allowance for a married man with a family would be £1,700 now, a single person's allowance is £850 and the £500 allowance is halfway in between.

When we did away with wives' earned income we gave the £850 single person's allowance on the earned income of the wife. The effect of this is that when the single parent family is the result of a separation or a divorce, the net result is that the Government taxes the couple more than they would if they were together, because in fact I have seen this in the past when the Government initially made a move in introducing this. The effect of this is that the husband can claim tax-relief on the whole of the alimony. The husband, for example, initially might be getting £1,700, then he goes down to £850 plus whatever payment he makes to the wife as a result of the court order. If that payment is £850 he goes back to his original allowance; if it is more he goes to whatever the figure is, but in fact the income is then taxed in the wife's hands, and if she is already working, and most people in these circumstances, if the wife is not working initially invariably she goes to work afterwards, effectively, because the payment from the husband is added to her own income, but her personal allowance goes up from £850 by £500, and the husband's goes down from £1,700 to £850, there is a differential of £550 between the joint incomes as before and afterwards. Consequently the Government taxes them on £350 extra.

I think this is something - the sums involved in terms of money are very small - I think the Government should in fact correct this although in doing so they will be giving an extra benefit, for example, to a situation where the single-parent family may be the case of a widow or a widower. I think although those cases will actually gain a net benefit of £350, it is an area that is worth giving additional help to and that it is worth introducing. As I say, the cost would be minimal in terms of revenue, but I think we are correcting an anomaly and we are giving an extra benefit to a group that deserves to be helped.

HONOURABLE FINANCIAL AND DEVELOPMENT SECRETARY:

Mr. Chairman, Sir, the Government will look at the points raised by the Honourable Member.

On a vote being taken on Clause 14 the following Hon Members voted in favour:

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon P J Isola  
The Hon A T Loddó  
The Hon Major R J Peliza  
The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammitt

The Hon D Hull  
The Hon R J Wallace

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 14 stood part of the Bill.

Clause 15

On a vote being taken on Clause 15 the following Hon Members voted in favour:

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon P J Isola  
The Hon A T Loddó  
The Hon Major R J Peliza  
The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 15 stood part of the Bill.

Clause 16

On a vote being taken on Clause 16 the following Hon Members voted in favour:

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan

The Hon P J Isola  
The Hon A T Loddó  
The Hon Major R J Peliza  
The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 16 stood part of the Bill.

Clause 17

On a vote being taken on Clause 17 the following Hon Members voted in favour:

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon P J Isola  
The Hon A T Loddó  
The Hon Major R J Peliza  
The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member voted against:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 17 stood part of the Bill.

Clause 18

On a vote being taken on Clause 18 the following Hon Members voted in favour:

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

The following Hon Member voted against:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

Clause 18 stood part of the Bill.

The Long Title

On a vote being taken on The Long Title the following Hon Members voted in favour:

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

The following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon A J Haynes

The Long Title stood part of the Bill.

THE HOUSE RESUMED.

HONOURABLE FINANCIAL AND DEVELOPMENT SECRETARY:

I have the honour to report that the Finance Bill, 1981 has been considered in Committee and agreed to with amendment and I now move that it be read a Third Time and passed.

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

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

The following Hon Member abstained:

The Hon J Bossano

The following Hon Member was absent from the Chamber:

The Hon I Abecasis

The Bill was read a third time and passed.

COMMITTEE STAGE AND THIRD READING.

MR SPEAKER:

I will remind members that we have two Bills for the Committee Stage and First Reading, which are the Public Health Ordinance and the Gaming Ordinance.

HONOURABLE ATTORNEY GENERAL:

Sir, I have the honour to move that this House resolves

itself into Committee to consider the Gaming (Amendment) Bill, 1981, and the Public Health (Amendment) Bill, 1981, clause by clause.

This was agreed to and the House went into Committee.

The House in Committee

THE GAMING (AMENDMENT) BILL, 1981.

Clause 1

HONOURABLE ATTORNEY GENERAL:

In view of the time that has elapsed since the Bill was introduced I would like to give notice of an amendment to the date of commencement. I should like to move that Clause 1 be amended by omitting the word "April" and substituting the word "July".

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

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

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

HONOURABLE P J ISOLA:

The only thing I wish to say, we were not going to propose any amendments on this because we are looking into the idea that we put forward of having a Gaming Advisory Council set up in Gibraltar, but as I said we were not thinking of an amendment to this Bill because we would like to think about it.

THE PUBLIC HEALTH (AMENDMENT) BILL, 1981

Clause 1

HONOURABLE ATTORNEY GENERAL:

Sir, the same consideration arises in the case of this Bill, and I beg to move that Clause 1 Subclause (2) be amended by omitting the word "April" and substituting for it the word "July".

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

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

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

The House resumed.

HONOURABLE ATTORNEY GENERAL:

Sir, I have the honour to report that the Gaming (Amendment) Bill, 1981, and the Public Health (Amendment) Bill, 1981, have been considered in Committee and agreed to with amendments and I now move that they be read a third time and passed.

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

SUSPENSION OF STANDING ORDERS.

HONOURABLE FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move the suspension of Standing Orders No.29 and 30 in respect of the Development Aid Ordinance, 1981.

This was agreed to.

FIRST AND SECOND READINGS.

THE DEVELOPMENT AID ORDINANCE, 1981.

The Honourable the Financial and Development Secretary moved that a Bill for an Ordinance to provide for relief from income tax in respect of income derived by approved projects for development in Gibraltar be read a first time.

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

The Bill was read a first time.

SECOND READING.

HONOURABLE FINANCIAL AND DEVELOPMENT SECRETARY:

Mr. Speaker, Sir, I have the honour to move that the Bill be now read a Second Time.

Sir, I understand on good authority that even the devil can quote the scriptures to his own advantage, and if that is so I am sure that one of his favourite children, that is the Financial and Development Secretary might quote from the Hansard of this House. But instead of only going back to the last two or three years, as is often done in debate, I would like to go back to the Genesis, as it were, right back until 1962. So far as I can trace from the papers that are available to me the Genesis of the Development Aid Ordinance, 1963, goes back to a question asked in the Legislative Council on 30 March, 1962, by the Honourable S A Seruya who inquired, inter alia,

whether the Government would devise a policy to attract adequate finance from abroad. In a supplementary question the Honourable and Learned Mr. Peter Isola, now the Leader of the Opposition, said, and I quote, "Is it not a fact that what is required is a policy that will attract capital finance within Gibraltar for investment schemes, a policy including such things for example as relief from taxation". The then Financial and Development Secretary as is the wont of all Financial Secretaries was extremely cautious and said that the suggestion raised far-reaching policy problems which needed very careful and special consideration. Words which I think I have reiterated myself from time to time. However, subsequently on 4 May 1962 the Honourable and Learned Mr. Peter Isola moved a motion in the following terms: "In view of the Defence White Paper the possibility of Great Britain's entry into the European Economic Community and the rapidly changing position in Europe, this House considers that urgent consideration should be given to measures designed to give rating and taxation relief to capital investment in Gibraltar and thus encourage development projects which Gibraltar will undoubtedly require if it is to maintain its present economic position." The motion was warmly welcomed by the Government and the whole of the Council and it passed with minor amendments which were proposed by the Government, and the Development Aid Ordinance was enacted on 12 December 1963.

Despite the fact that the Honourable and Learned Leader of the Opposition's crystal ball at that time on Great Britain's entry into the European Economic Community was slightly early and that the time span was rather different, and that in fact under the Defence White Paper things changed very little or less than expected in Gibraltar, the point is that this was a most important Ordinance and it was a timely introduction at that period. It has remained unchanged except for minor amendments for eighteen years and this, Sir, I think is a tribute to the authors of the legislation. The House may be interested to learn that during that 18-year period, 59 licences, covering a total of 77 projects have been approved, and the total value of approved projects is somewhere in the region of £15.5m. To those who are charged with the administration of the Ordinance it has become increasingly evident that major changes in the legislation were required to make statutory provisions for the criteria to be adopted in considering the grant of licences, to make provision for appeal against decisions on applications - at the moment there is no provision for appeal - and to provide a measure of flexibility in the grant of applications, and finally to place firmly on applicants the responsibility to demonstrate the economic benefits to Gibraltar of a project for which Development Aid is sought.

Legislation to attract development in any Territory should provide an instrument to direct investment in line with Development aims. Experience has demonstrated the importance of selective examination of each application for tax-relief to determine the nature and extent of assistance which is required

to overcome obstacles or to induce investment. The responsibility for demonstrating and quantifying that need and to demonstrate the economic benefits to Gibraltar of the project must be placed firmly on the applicant for a licence. It is not sufficient for an applicant to state flatly that a project is for the economic benefit of Gibraltar, and to refuse to supply further information supporting this contention. Some projects may be clear candidates for aid, others may be marginal. Under the existing legislation there is no power to specify the proportion of expenditure on a project qualifying for tax-relief or the period over which such relief may be enjoyed. The Government can only approve a project for 100% relief of the cost of the project over an indefinite period or reject the application. For this reason marginal projects tend to be rejected, whereas under the more flexible system a proportion of the cost might be approved for a given period.

In the absence of a statutory requirement for an applicant to approve to the satisfaction of the Government the economic benefit to Gibraltar of the project, the Government has become increasingly bound by earlier precedence which has brought within the ambit of the Ordinance projects of doubtful value to the economy as a whole.

Finally, Sir, the current minimum expenditure limits are too low, having been eroded by inflation since they were last changed in 1977. At present the Ordinance provides no machinery for appeal against decisions on applications. Such machinery is not merely desirable, it is essential. As the issue of a licence involves in essence consideration of economic policy the Government proposes in the Bill now before the House that licences should be issued by the Minister responsible for Economic Development with the right of appeal to the Governor. In performing his functions under the Ordinance the Minister for Economic Development would be advised by a small statutory committee of officials. The Government also considers it important that the criteria to be adopted in assessing applications should be specified in the enabling legislation. The criteria is set out in the Ordinance as Clause 10. The criteria set out in the Ordinance is based on that which has evolved over the past eighteen years in the administration of the existing Ordinance.

They provide for the creation in Gibraltar of a new, tangible and immovable asset of a fixed nature which will remain behind after the full benefits of the concession have been enjoyed by the developer. Exemptions to existing assets in the form of structural alterations will be considered on their merits. That is an area where the flexibility to which I referred earlier on marginal schemes are of particular importance. Schemes for additional housing, to improve the infra-structure of Gibraltar, to develop tourism, and new industries, are also included under the criteria.

The proposed minimum amounts which developers should spend are \$150,000 if the scheme is to be completed in two years, - currently the figure is \$50,000 for a scheme to be completed in one year - and \$500,000 if the scheme is to be completed in five years. Currently the figure is \$250,000 for five years. The information which will be required to support an application for Development Aid will be detailed in Regulations to be made under the Bill.

I think it would be helpful if in this Second Reading debate I informed the House the type of information which the Government has in mind. First of all, details and description of the development including the location and existing use of the land; secondly, the projected date of commencement and of completion; thirdly, the estimated capital cost and life of the assets; fourthly the source of fund, that is, whether they are to be raised locally or overseas; fifthly, whether the work will be contracted out and, if so, to a local or an overseas firm; sixth, particulars of any expansion of the existing trade of the applicants and of the new trade or business to be generated by the project; seventh, detailed quantified assessment of the benefits to the economy to be expected from any extension on new trade or business; eighth, the expected volume of imports of raw materials and of sales to the local and export markets; ninth, the number of persons to be employed in the construction trade of the project and the proportion of:-

a. imported to local labour;

b. labour costs to the total projected cost of the project; and

tenth, the employment effect of the project after completion, that is the number of employees, broad details of appointments and projected wages bills for the first three years of the operation.

In the light of the information supplied on the proposed project and the projected economic benefits to Gibraltar as a whole, it will be possible to decide whether or not a project should qualify for 100% relief, on its cost and, if so, over what period; or for a proportion of the cost of the project and again over what period.

The House will note that there is no provision in the Bill before the House for plant and machinery. This follows the change in the Income Tax Ordinance which the House has just approved in the Finance Bill 1981. I refer, of course, to the provision providing for 100% initial allowances to certain plant and machinery.

Mr. Chairman, Sir, pending the enactment of the Bill now before the House applications will be considered against the criteria which I have mentioned and information to support applications

will be required. Of course the existing minimum expenditure rate and limits will continue to apply until the new Bill is finally enacted.

Mr. Speaker, Sir, I commend the Bill to the House.

MR SPEAKER:

Before you do that may I draw your attention to page 11 of the Bill, like that we will not have to carry amendments later on. The Honourable the Attorney General has just called my attention to the fact that on the first line of sub-clause 4 it should be "notwithstanding section 15 or section 15b." and not a. If you mention that at this time then we do not have to amend the Bill later on. If that is correct.

Secondly, I think that sub-clause should not be 4. but 5. Because sub-clause 4 is the previous one, which has got the subsections (a) (b) and (c).

HONOURABLE FINANCIAL AND DEVELOPMENT SECRETARY:

Mr. Speaker, Sir, I am indebted to you and if I may formally mention to the House that in clause 14 sub-clause (4) where it says "the second time" - two thirds of the way down page 11 of the Bill, - it should read sub-clause (5) and in the first line of that sub-clause (5) section 15a. should read section 15b. I apologise to the House for the typographical errors which were not picked up before the Bill was circulated.

Mr. Speaker, Sir, I beg to move.

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

HONOURABLE P J ISOLA:

Mr. Speaker, I would like to make a preliminary remark. I presume that the Committee Stage of this Bill will be taken at the next meeting of the House. I am going to make just general remarks on this Bill, if I may, and we would be grateful on this side if when we get to Committee Stage, you would give a little more indulgence than is normally given on Committee Stage if we have discussions almost of policy on them, because, Mr. Speaker, it has not been possible in the time that we have had to consider the Bill in depth. Having said that I would just like to give our general reaction to the Bill.

We agree that the Development Aid Ordinance as it existed required radical alteration and we also agree that it is good that the criteria for granting licences should be put forward, and generally one agrees, if I may say, in very general terms with the whole idea behind the Bill. There are just six points that I would like to make for the consideration of the House at

this stage. One is, Mr. Speaker, I do not know if I am right, this may be the first time that an Ordinance actually gives a Minister direct authority to take an administrative decision of this kind. I may not be right, but the thought had occurred to me. What worries me slightly here on what is in effect, which is now shared by the Council of Ministers, but it is in effect giving largesse as it were to a project in the hands of a Minister. Fortunately in this case without private interests, but there could be Ministers with private interests and I think that bearing the possibility that the Minister for Economic Development will not be Minister for Economic Development for ever, I am not making prediction on that, bearing in mind that, I think we ought to be thinking of how in this area, where it is a difficult area, one ought to see how the position can be safeguarded. I do not think it is possible for the Chief Minister to insist that a Minister for Economic Development should have no private interest at all so he could carry out his functions under the Ordinance because obviously this may not be possible and, therefore, we have to think of one or two safeguards which I will mention as I go along.

Mr. Speaker, the sort of safeguards that we are thinking of, but again as I said we will really come round with policy decisions ourselves and how we feel it should go perhaps at Committee Stage. One is for example that the same procedure should be carried out in grants of Development Aid as is carried out in grants of tenders. In other words a grant of Development Aid to an entity should be published in the Gazette. The other point, the possibility of as a matter of administrative routine, the possibility in certain cases, for example when the Minister acts against the advice of his officials, which he is entitled to do and I agree because he is the man who has got the responsibility, when he acts against the advice of his officials, either in rejecting or granting a licence, in the case of granting a licence, and that is where the licensee is not likely to have any cause for objection, in the case of granting a licence, to be confirmed by Council of Ministers, in the case of rejection of a licence when his officials have said he should give it and he refuses, to be communicated to the licensee so that he can appeal. Those are the two points. I have looked at Section 10, am I right, I would ask, in thinking that the grant - I think it does but it is not clear - under Clause 10 the criteria will include plant and machinery.

#### HONOURABLE FINANCIAL AND DEVELOPMENT SECRETARY:

If the Honourable Member will give way, Sir, I did mention that at the latter part of my speech. It does not because plant and machinery from 1 July will have 100% disallowance, and it is not necessary.

#### HONOURABLE P J ISOLA:

The last point, Mr. Speaker, that I would like to make of

course is a difficult one, and I am glad to hear the Financial and Development Secretary has said that in his view there should be procedure for appeal and I agree with him. And I am glad that a procedure for appeal is laid down. There again, Mr. Speaker, the question that arises is, having regard to the fact that the criteria are laid down, should there be some sort of appeal a tribunal or a quasi-judicial tribunal, I see problems in that because it is an administrative decision and all the facts leading to that decision, including the questions of policy and so forth, are possibly not proper to be dealt with by the Tribunal. But an appeal to the Governor also has its problems and what I think should be given to is that the question of review of appeal in the appeal process the Minister should be excluded. If the appellant has to put his case in writing and has no right to be represented then I think it would be wrong for the Minister to be sitting in on the appeal and putting his point of view. I think it is a question of either the appellant being allowed to be present and arguing and the Minister counter-arguing, and I think this is probably more sensible because I see problems there, it would be more sensible for the appellant to put in his appeal in writing and the Minister to put down his reasons why he rejected the application, also in writing, and to be totally excluded from participation in the appellate process. I think only that way can it appear that there is a proper review procedure, a proper appellate procedure, as opposed to going through the former. I say this, Mr. Speaker, from experience in other appeals. For examples appeals from the Development and Planning Commission today go to the Governor, and in the Gibraltar Council where it is dealt with I presume, of course the Minister involved in the Development and Planning Commission are sitting. It seems to me wrong because it is really giving the Minister two bites at the cherry and if you are going to have an appeal procedure then it should be seen to be a fair appeal procedure. And the only way I think you can be fair is by totally excluding the Minister from the process of review except insofar as he puts in his paper the reasons why he rejected the appeal. Obviously the reason why the tribunal did it are very relevant indeed.

Mr. Speaker, these are general comments that I would make on the Bill at this stage. It indicates roughly where our worries are but generally speaking we welcome the Bill, we welcome the idea behind the Bill, and one last point, as far as the money limits are concerned of £150,000 and £500,000, I think that the latter limit is sensible for five years. The former for two years, I am just wondering whether that may not be pitching it a bit too high. I would have thought that £100,000 might have been more realistic. The reason why I say £100,000 and not £150,000 is that whereas £150,000 for a small industry may be quite a lot of money I think one wants to help a bit the little man, the small industry, I know there is not much of it, but if there is a chance of a small industry, I think £100,000 is a more realistic figure than £150,000. That might be a bit too high.

Apart from that we generally welcome the principles of the Bill.

HONOURABLE CHIEF MINISTER:

Mr. Speaker, the points made by the Leader of the Opposition are worthy of serious consideration and to some extent I would certainly go with the earlier remarks. Not only do we want to have this as a fair system but we want it to appear that it is a fair system, and, therefore, the safeguards that have been mentioned seem to me reasonable at this stage. On a first consideration of the matter we shall take into account the question of the criteria about the money, it will be dealt with in Committee by those who deal with the matters more definitely.

The question of appeal is also one which we also sought to look at carefully. My experience of this is that when the Governor is asked to look at something he does so himself as impartially as he can. Of course he has got to hear both sides and he hears one side from inside and one side from outside. Whether the procedure can be adjusted, I think my Honourable Friend the Financial and Development Secretary finds himself in that position in respect of licences in respect of the Bureau de Change. He has got a committee to advise him and he has a right to do that. I am glad that the Bill meets with the general approval of the Opposition. It was definitely intended that there should be a long period in which people can react to it by having it published in the Gazette, if not today or tomorrow, next week, and for it to be as a Bill at the next meeting of the House when we can have not only, apart from the valuable reactions of the Opposition, but also from those concerned in the matter who may have ideas.

It is very much a matter in which there should be as much consensus as possible because it is in the general interest of the community that this should work properly and that the exemptions and the privileges that are given by the Bill should be given to worthy causes.

HONOURABLE ATTORNEY GENERAL:

Mr. Speaker, if I may refer to the technical aspects to the points raised by the Honourable and Learned Leader of the Opposition. Let me say that I am grateful to the Honourable Member from that point of view for highlighting these aspects of the Bill.

If I can deal first with the question of whether or not in principle there is too much power given to the Minister. I think the first point is surely that the Minister is constitutionally responsible and this Bill puts the onus of administering the Ordinance on him. And I say that I think that the provisions relating to the consultative committee are quite extensive but I think it would be wrong in principle for them to go any further because at the end of the day they are advisors and the Minister himself is the person who is charged with the administration of

the Bill. Obviously one would have to look at it but I do not really think it would be correct in terms of administrative principle to provide that if Minister disagreed with the advice of his committee he should seek the confirmation of Council of Ministers. That to me does not seem to be correct in principle. May I say that I think the Bill goes some distance already, indeed it goes as far as it properly should go, in saying that Clause 6 subclause (5) entitles an advisory member to ask for his views to be recorded, and also subclause (6) provides for the Minister to state the reasons why he may act against his Committee. I think that is as far as it should go in principle.

On the question of appeal I am grateful to the Honourable and Learned Leader of the Opposition. This is a difficult question, I think because we are talking about what are going to be policy decisions and the right given by the Bill is a right of review not a full right of appeal as such but a right of review of course is where does one go from a Ministerial decision. The difficulty, again, if I might put this point, I mean it is a matter that will obviously be considered, but if I might make this point, it does not seem to me to be correct in terms of constitutional principle that a Minister should be excluded from participating in Council of Ministers, which will effectively be the appeal body in this case. It is surely his prerogative to appear there, but there is a problem and I would not like to give the impression that I am not addressing the problem, there is a problem to be looked at and worked out. I think this is a general problem and we will look at it in the course of preparing for the Committee Stage of the Bill. It is a matter that the Government will want to consider, the answer may be to have a Committee of Ministers, not Council of Ministers in its full forum, but a Committee of Ministers. There are certainly problems in deciding where one goes on a policy issue after a Minister has considered it.

HONOURABLE CHIEF MINISTER:

May I ask the Honourable Member to give way. There is one point made originally in the Leader of the Opposition's remarks which I should have answered, I should have dealt with and I have just remembered, and that is the question that he mentioned quite rightly that in this case the person entrusted with the responsibility was one not concerned with trade in any way, and, therefore, it could be said that he was more impartial than otherwise. I accept that, and I would also like to say that in considering, and this is a matter I have always addressed my attention to within the limitation of the number of people available, and I am sure anybody exercising the functions of the Chief Minister in appointing Ministers, particularly with statutory powers would be the particular activities of the Minister outside the Government would be one which one has to take into account in ascribing Ministerial duties. That is something certainly that I have in mind and in fact sometimes

one is inclined to reshuffle people and put them in different places and then you see that it is not desirable because of the possible conflicting, or apparent conflicting interests.

I only say that by way of explanation. It does not dispose of the matter generally but I would like to say that many comments are made about the facts that the Constitution is not right in this way or the other, but I would like to say that certainly whoever has to ascribe to Ministers must take into account the activities of the Minister outside his official duty particularly where this carries statutory powers as are being given in this case.

Thank you, Mr. Speaker.

HONOURABLE ATTORNEY GENERAL:

Mr. Speaker, I have nothing further to add, really. I would simply like to say that from a technical point of view we note the points made about review and I think this would be an opportunity to look at the question of administrative review, not only in relation to this Bill but perhaps to do some general thinking on the subject of principles.

Thank you, Mr. Speaker.

HONOURABLE J BOSSANO:

Mr. Speaker, on the general principles of the Bill I think as the Honourable and Learned Leader of the Opposition has said this is something that requires careful thought, but as an initial reaction I can say that the principle of using our tax system to encourage investment in one direction and discourage investment in another direction is something that I support because I believe that that is what economic management is about, rather than fiscal policy. It is good also that the criteria should be well laid out, specified and clear cut, so that the people who are interested in making use of the provisions of the Ordinance know exactly how the scheme operates and what they can expect. So it is a good thing that it should be spelt out what the objective is.

In fact, when one is talking about exempting the income from a project from liability to tax the first reaction is that it looks an extremely generous provision. It is important, of course, to realise that if the project would not take place but for the fact that Development Aid was available, then you are not effectively foregoing revenue because the project would never take place and the revenue would never be generated. So that in fact although it looks an extremely generous arrangement to allow somebody to recover the whole of his investment before he pays tax, if in fact we can see that the effect of this is to bring about investment that would not otherwise take place, then after the initial recovery there is a revenue yield to the

Government which would never be there of course, and presumably when we are talking about in particular investment in buildings, then the land would always be there available for development at some stage or another. So it is not a total loss if the investment does not take place at one particular point in time, but I believe that it is right for the Government to encourage as much investment in bricks and mortar in Gibraltar because in fact this is the sort of investment that even if the private investor at some stage changes his mind about his involvement in Gibraltar's economy it is not something that he can pack into his bags and take away with him. To me it makes sense that that should be there and that those sort of assets are there for the future in widening, if one likes, the tax base from the fiscal point of view. Obviously the yield in rates etc are there as benefits for the future and the wider the development that there is in terms of private property development etc, the lesser the burden on the Government's own commitment on Housing and the greater the potential for different fiscal policies.

I think in fact the economics of private property development could be quite dramatically changed if we really gave thought to this, and one thinks that one can recover the rent on property to the extent of a complete cost of the project it should make private property development for renting not totally out of the question like it seems to be not only in Gibraltar but in many other places, even in the UK. The idea of actually building for renting with the level of interest rates that are common now seem to be considered out of the question. This is why public housing has become such an important element in the provision of housing in most of Western Europe. I think really the economics of this could be made to work and if it has the effect of producing a better balance then quite apart from creating employment and so on I think there are sound benefits for the economy.

HONOURABLE A J CANEPA:

Mr. Speaker, on the Government side we welcome very much the constructive approach taken by members of the Opposition on this piece of legislation and the support which it has. And the general comments that have been made are useful and will be given due consideration between now and the Committee Stage.

Listening to the Financial and Development Secretary when he introduced the Bill, Mr. Speaker, I think one must record very many years after the events one's appreciation of the farsightedness and the vision of Mr. Seruya who asked the original question, and then the Honourable Leader of the Opposition who acted on that and introduced a Bill in the then Legislative Council. I think they are both to be commended having regard more so to the economic benefit that Gibraltar has derived in the intervening years.

I will be commenting in a moment, Mr. Speaker, with the points

that have been raised, but I would like, Mr. Speaker, in speaking on the general principles of this Bill, to point out that the Bill follows very much the approach which I made in my contribution on the Appropriation Bill, when members will recall that I stated that the Government's approach to development in the private sector was one of creating the right conditions for diversification. The new Bill is more explicit than the Ordinance but it will retain that element of flexibility which is necessary if it is to operate effectively and if it is to stand up to circumstances as and when these affect the economy of Gibraltar.

Mr. Speaker, I think that the fact that the criteria will be published and will form part of the Ordinance will assist applicants and will also avoid some time-consuming correspondence which invariably takes place when clarification is being sought in the process of considering applications. At present in fact too many applications are made and present little, if any, justification that the project will in fact be of economic benefit to Gibraltar.

At present, Sir, the Ordinance grants 100% tax concession indefinitely on all the projects which are approved and there may well be instances where the tangible tax loss to the community is greater than the economic benefits which in some cases are totally unquantifiable. As I say the tax benefits may well be greater than the economic benefit which is, it is thought by the applicant, will flow from the project. The Bill will correct this and it will encourage developers. And whilst encouraging developers it will ensure that there will be a net benefit to Gibraltar and to the people. By specifying time limits and perhaps qualifying the extent of tax-relief we think that there should be more of an incentive towards the promotion of projects which will really guarantee benefits to both the developers and the community. It is essential that the benefits should be mutual.

Sir, as has been said the new Bill places the onus of proof on the applicant and it formalises the procedures in dealing with applications. At the moment applications are sent to the Financial and Development Secretary, they are commented on file by the Economic Adviser, and by the Surveyor and Planning Secretary, prior to submission to Council of Ministers and the creation we think of a small statutory committee will coordinate in a far more effective way consideration of applications, it will speed up processing and will provide a basis and a forum for discussion. Of course, if their applications are turned down, applicants will have an opportunity to have the matter reviewed.

I come now, Mr. Speaker, to the role of the Minister and I think I ought to say first of all that the involvement of the Minister in this statutory manner I see as yet one other step forward in the process of constitutional development and in the acquisition

if you like by Ministers of the Gibraltar Government and, therefore, generally by the House, of a much greater say in the running of our affairs. There are precedents in the Education Ordinance, in the Group Practice Medical Scheme, in the Social Insurance Ordinance and I think that this is all to the good. And if ultimately the Minister is going to take the decision subject to a review, well, it is on a matter for which he is responsible, it is on a matter for which ultimately he is answerable to the people, and if the people do not like the way he is conducting the affairs of Government they, in the final analysis, have the remedy in their hands.

When the Minister acts against the advice of officials, when for instance the officials recommend against the grant of a Development Aid Licence but the Minister is in favour, as far as I am concerned in practice that is a matter that I will take automatically to Council of Ministers and get covering approval. Another Minister may feel differently but one does this in any case on other matters which are of lesser import. I think by and large this will be automatic. Where the Minister, however, has not accepted the advice of officials I think it would be very dangerous if the fact that officials have advised the Minister to grant a Licence and he has disagreed, I think it would be very dangerous if that were to be communicated to the applicant, because it would put the Minister fairly on the spot. What, for that matter, if the advice of officials were not to be unanimous? Supposing he had a statutory committee of four and three are in favour and one against, or two and two. Should that be communicated to the applicant? Well, obviously in the interests of good Government I do not think that that is desirable.

I was glad to see that in the review process the Honourable Mr. Isola considers naturally that the Minister should be heard, should he have a vote on the matter when a decision is taken in Council of Ministers? I think he should because if he does not have the vote then the right which a Minister has, other than when it is a matter of conflict of direct personal interests and then he doesn't vote on that and he does not even participate in the discussion in Council of Ministers, other than that occasion, if the Minister does not vote on a matter such as this one, I think the constitutional rights which he has are being strangled. So I do not think that that would be the correct thing to do.

As far as the minimum cash amounts which have been laid down are concerned, I think I should remind the Honourable Mr. Isola that in fact they have now remained unchanged since 1977, and in the last three years since 1978 building costs have doubled. And if these minimum cash amounts are to remain unchanged as they are likely to remain unchanged for another few years, this is not a piece of legislation that one can amend continuously, then I think we have got to allow for an element of further inflation over the next four or five years, and, therefore, on balance the minimum cash amounts which are laid down, it is a matter of

opinion, but I think they are just about right.

Finally, Mr. Speaker, again coming back to the role of the Minister let me say that I see this, quite apart from the political and constitutional considerations, I am sure that the involvement of the Minister responsible for Economic Development will ensure complete coordination and what is even more important the consistency of development policy in all sectors, something about which we have had a great deal to say in this House in the last weeks.

We are very glad to see the attitude which the House generally is taking on this piece of legislation.

MR SPEAKER:

Does any other member wish to speak on the general principles and merits of the Bill? I will then ask the Honourable the Financial and Development Secretary to exercise his right of reply.

HONOURABLE FINANCIAL AND DEVELOPMENT SECRETARY:

Mr. Speaker, Sir, I would like to thank the Members of the House for their welcome to this Bill and to commend it to them.

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

The Bill was read a second time.

The Honourable the Financial and Development Secretary gave notice that the Committee Stage of the Bill should be taken at a subsequent meeting of the House.

ADJOURNMENT.

The Honourable the Chief Minister moved the adjournment of the House sine die.

Mr. Speaker put the question which was resolved in the affirmative and the House adjourned sine die.

The adjournment of the House sine die was taken at 9.50 a.m. on Thursday the 30th April, 1981.

**GIBRALTAR**

**HOUSE OF ASSEMBLY**



**HANSARD**

7th July 1981

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Seventh Meeting of the First Session of the Fourth House of Assembly held in the Assembly Chamber on Tuesday the 7th July, 1981, at the hour of 9.15 o'clock in the forenoon.

PRESENT:

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

GOVERNMENT:

The Hon A J Canepa - Minister for Economic Development and Trade  
The Hon M K Featherstone - Minister for Public Works  
The Hon I Abecasis - Minister for Tourism and Postal Services  
The Hon Major F J Dellipiani ED - Minister for Education and Labour and Social Security  
The Hon Dr R G Valarino - Minister for Municipal Services  
The Hon D Hull QC - Attorney-General  
The Hon R J Wallace CMG, OBE - Financial and Development Secretary

OPPOSITION:

The Hon Major R J Peliza  
The Hon W T Scott

ABSENT:

The Hon Sir Joshua Hassan CBE, MVO, QC, JP - (who were in  
Chief Minister (the United  
The Hon H J Zammit - Minister for Housing (Kingdom on  
and Sport (official  
The Hon J B Perez - Minister for Medical and (business  
Health Services  
The Hon P J Isola OBE - Leader of the  
Opposition  
The Hon G T Restano  
The Hon J Bossano  
The Hon A T Loddo  
The Hon A J Haynes

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 11th March, 1981, having been previously circulated, were taken as read and confirmed.

DOCUMENTS LAID

The Honourable the Minister for Economic Development and Trade (in the absence of the Honourable the Minister for Housing and Sport) laid on the table the following document:

The traffic (Registration and Licensing of Civilian Vehicles)(Amendment) Regulations, 1981.

Ordered to lie.

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

- (1) The Employment Injuries Insurance (Collection of Contributions)(Amendment) Regulations, 1981.
- (2) The Employment Injuries Insurance (Claims and Payments) (Amendment) Regulations, 1981.
- (3) The October, 1980, Employment Survey Report.

Ordered to lie.

The Honourable the Minister for Economic Development and Trade (in the absence of the Honourable the Minister for Medical and Health Services) laid on the table the following document:

The Group Practice Medical Scheme (Amendment) Regulations, 1981.

Ordered to lie.

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

- (1) The Public Health (Exemption from Rates) Order, 1981.
- (2) The Pool Betting Duty Regulations, 1981.
- (3) The Electricity Undertaking Fund (Amendment) Regulations, 1981.

- (4) The Telephone Service Fund (Amendment) Regulations, 1981.
- (5) The Housing Fund (Amendment) Regulations, 1981.
- (6) The Potable Water Fund (Amendment) Regulations, 1981.
- (7) Loan Agreement dated 2nd June, 1981, between Midland Bank Ltd and Midland International Banks Ltd and the Government of Gibraltar.
- (8) Supplementary Estimates Consolidated Fund (No.5 of 1980/81).
- (9) Supplementary Estimates Consolidated Fund (No.1 of 1981/82).
- (10) Supplementary Estimates Improvement and Development Fund (No.1 of 1981/82).
- (11) Statement of Consolidated Fund Re-allocations approved by the Financial and Development Secretary (No.8 of 1980/81).

- (12) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 9 of 1980/81).
- (13) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 1 of 1981/82).
- (14) Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No 5 of 1980/81).
- (15) Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No 1 of 1981/82).

Ordered to lie.

HON A J CANEPA

Mr Speaker, I think that this is a convenient point for me to move that this House should recess to Thursday the 9th July at 8.30 in the morning.

MR SPEAKER

We will now recess until Thursday the 9th July at 8.30 in the morning.

#### THURSDAY 9TH JULY, 1981

The House resumed at 8.30 a.m. when all Honourable Members were present.

#### ANSWERS TO QUESTIONS

The House recessed at 10.15 a.m.

Answers to Questions continued.

The House recessed at 12 noon.

The House resumed at 2.30 p.m.

Answers to Questions continued.

HON A J CANEPA

Mr Speaker, if I may? A number of points were raised in supplementaries on the question of dredging and I think I have the answers and with your leave I would like to give the information. Sir, first of all it was that whether the material obtained as a result of the dredging was suitable for reclamation. I am informed that it is not because when berths were dredged it is an oily sludge which is obtained and this certainly is not suitable for reclamation purposes. In 1974, I confirm what I previously said, it was the Navy that was dredging. They were dredging the approaches to the extension to No.3 jetty. It is hoped that dredging will start before the end of the summer to take advantage of the good weather. I was asking the Financial and Development Secretary to confirm our understanding view. I do not think the tender has been awarded. The Captain of the Port tells me that, to his knowledge, it has not been awarded.

#### THE ORDER OF THE DAY

#### MINISTERIAL STATEMENTS

MR SPEAKER

The Honourable the Chief Minister and the Honourable the Minister for Economic Development and Trade have given notice that they wish to make statements. I will therefore now call on the Honourable the Chief Minister.

HON CHIEF MINISTER

Mr Speaker

I wish to report to the House on the meeting which His Excellency the Governor and I held with Sir Ian Gilmour, the Lord Privy Seal, on Tuesday 7 July.

The meeting was requested by me in order that I might have an early opportunity of discussing, at a high level in the Foreign and Commonwealth Office, the implications for Gibraltar of the British Government's Defence Review.

My first concern was to attempt to establish, for the future, satisfactory procedures for the communication and publication in Gibraltar of any information relating to possible changes in Ministry of Defence activity in Gibraltar and to the effects of any such changes.

This concern arose, of course, out of the discrepancies which had become apparent last week between the statement made by Mr John Nott in relation to Gibraltar and statements made elsewhere. I was assured, firstly, that there was as yet no indication at all of the extent to which there might be job reductions and, secondly, that no statement had been made by Mr Nott about bringing Spain into discussions on the Dockyard. I was categorically assured by the Lord Privy Seal that there had been no consultations with Spain and that there would be none.

I referred to the Foreign and Commonwealth Office's overall responsibility for Gibraltar and urged that, in order to avoid additional and indeed unnecessary difficulties, all future communications should be coordinated through the Governor who would inform me prior to publication.

In reply to my enquiries about the present situation and likely developments, I was informed that, as soon as they were in a position to do so, Her Majesty's Government would put specific and detailed proposals to the Gibraltar Government and enter into consultations before any decisions are taken on implementation.

Two senior Foreign and Commonwealth Office officials who will be engaged in the initial discussions with the Ministry of Defence were present at the meeting and were thus able to hear at first hand the views which I expressed on behalf of Gibraltar.

The assurance that nothing would be done without the closest consultation with the Gibraltar Government was stressed and reiterated by the Lord Privy Seal.

Sir Ian Gilmour also reiterated the assurance previously given about Britain's obligation to support and sustain the economy of Gibraltar. I said that we were grateful for the statements which had been made on this aspect but stressed that we in Gibraltar were primarily interested in maintaining the highest possible level of work. The best way of implementing the support and sustain policy, in this respect from Britain's point of view as well as from our own, was for the Dockyard to give Britain value for money rather than for the Overseas Development Administration to give us financial assistance with lesser return to Britain. If, however, a reduction in the workload of the Dockyard was inevitable, we would wish to be given the earliest possible notice, as well as adequate time, to enable us to plan and introduce smoothly the development of alternative possibilities without a damaging hiatus.

As a result of my meeting with the Lord Privy Seal I have every confidence that, whatever difficulties may lie ahead - and it is still too early to gauge what these might be, or their extent - the British Government will deal with Gibraltar with the greatest sympathy possible in the circumstances of the Review. I am equally confident that this sympathy - I would go as far as to say concern - will be manifested in the provision of full information as soon as it becomes available and in that closest consultation of which I was so strongly and unequivocally assured.

Finally, Sir, I should like in this report to the House to place on record my thanks to His Excellency the Governor for his concern for Gibraltar's continuing welfare and for his unstinting support and endeavours.

HON P J ISOLA

That statement must be welcomed, I think, by all sides of the House. I do not think the statement goes much further than what the Governor himself said in Gibraltar at the time of the announcement of the Defence White Paper. I would like to put two specific questions to the Chief Minister on what is, of course, a very worrying matter for the people of Gibraltar. The first is, did he not get the decided impression from his visit that the White Paper did not really correctly state the position with regard to the Gibraltar Dockyard and that there was a certain amount of truth in the statement that was made locally by officials, by the Flag Officer, Gibraltar, specifically to the Unions and would it be correct to say at this stage that it would be unrealistic not to believe that reductions will take place in the Dockyard and in the scope of work done in the Dockyard? I ask that first point because I think it is important that we should know the facts and the results of what has been said even though we may not know and we do not know, I know that, the effects of those cuts or the extent of those cuts but the first question is, did he not get the impression that it would be unrealistic not to assume that the Gibraltar Dockyard would be affected as a result of the policy announced in the Defence Review? The second question that I would ask would relate more to his meeting with the Lord Privy Seal. We, of course, welcome the assurances and especially the fact that the British Government has accepted the obligation in the context of the Dockyard, has accepted that it has an obligation to support the economy of Gibraltar and that if it should be decided that Dockyard work in the Dockyard cannot be kept up indefinitely, alternative consideration would be given to alternative ways of helping the economy of Gibraltar but I would ask the Chief Minister whether he

sought what I would think is the most vital assurance of all and that is that if it is proposed at any future time or it is conceived that there will be a considerable reduction in the activity of the Naval Dockyard in Gibraltar resulting in significant cuts in the employees of the Dockyard, if that is the policy, then the British Government should ensure that alternative ways of assisting the economy of Gibraltar and of discharging the obligation which it freely admits exists of sustaining the economy of Gibraltar, consideration were given to alternative methods of doing it and implemented before any reductions occur of a significant nature in the Gibraltar Dockyard. That, to my mind, is the fundamental assurance that political leaders require from Her Majesty's Government if they admit the obligation which they do in the White Paper of assisting and supporting and sustaining the economy of Gibraltar. We do not want in Gibraltar handouts, we want people employed and people in work and transition can take place provided there is cooperation between the employer and the employees and I would ask the Chief Ministers answers to those two, I think, very important questions which I am sure must have been posed and put at the meeting with the Lord Privy Seal.

HON CHIEF MINISTER

Mr Speaker, I do not think there is anything in what the Honourable Member has sought except for one thing that I will come to that is not contained in the statement. I have not attempted to underestimate the possible effects, I have said so, I said: "Whatever difficulties may lie ahead, and it is still too early to gauge what these might be, or their extent". To that extent he has really, with the greatest respect, repeated what I said earlier and I am very glad that again he echoed my views that we do not want handouts, that we want work to be done, this is what I said in paragraph 9 of my statement as the Honourable Member will see. The only, if I may say so, valid matter which he has raised which I am prepared to deal with was his first question where he asked did I get the impression that the White Paper was different to what had been said locally and that what had been said locally by the Admiral may have been much more exact than what was said by the Governor. It is because the Governor gave the assurances that were given to all people here and because there was this other discrepancy, to which I have referred, that I sought clarification and also procedural changes so that that does not happen again. With regard to the information given here locally the manner in which this was explained, and I think it required to be stated, was that before the preparation of the White Paper all establishments were given what are called illustrative examples of the sort of things that could happen but the

fact that comes out clearly in my mind from my talks there was that they still have not been able to gauge exactly what will be the effect of the Dockyard. That it will be effected I have no doubt in the long run if the same strategy continues which appears to have been endorsed by the House of Commons on Tuesday but insofar as the timing and the help required to adjust, this is precisely the guarantee that I have obtained of full consultation, full opportunity of adapting to a changing situation. Whereas I do not want anything that I say to be balsam as if nothing was going to happen, on the other hand I think it is very important that we should not lose our calm and our cool and deal with the matter in a way that can make the least harm possible to the people of Gibraltar.

MR SPEAKER

As is the practice, a statement has been made, I have allowed the Leader of the Opposition to make a statement in reply which is usually what we have done before and the Chief Minister has replied to his queries. We must not debate the statement in any manner or form. There will be most certainly an opportunity at this meeting because there are two motions on the Order Paper which will entitle Members to raise matters which have been dealt with in the statement but we must not debate this particular statement. If it is a point of clarification, most certainly.

HON P J ISOLA

I do not want to debate it, I do not want any misunderstanding to take place here on what I say. The point I want to make and the point I think that has to be confirmed is on the question I was asking that it would be unrealistic to assume that there will not be a reduction in the work at the Dockyard. The reason why I asked that and I asked for that clarification, I think that if Gibraltar is going to face up to this sort of prospect which is clearly there, then it must coldly and calmly be aware of that fact and I am afraid that the White Paper did not give that impression although the statements made by civil servants in Gibraltar did and I think it is important that we should know that particular factor because only then will we start thinking and doing things, that is why I wanted that point to be clarified.

HON CHIEF MINISTER

Mr Speaker, I made the statement, it is not the Leader of

the Opposition. I have given all the answers, he wants to have another go at the same cherry again.

HON P J ISOLA

I do not know why the Chief Minister gets so excited.

HON CHIEF MINISTER

I have clarified the point, he has repeated the same question three times before I spoke and now we are having it again.

HON P J ISOLA

Mr Speaker, I think this is a matter that is of fundamental importance and I am asking for clarification. The Chief Minister should not be shy about repeating what he has to say four, five or six times, if it is necessary.

HON CHIEF MINISTER

I am not prepared to repeat the same thing in order to give a platform to the Honourable Member.

HON P J ISOLA

Mr Speaker, he need not answer me.

MR SPEAKER

Order, what point are you making?

HON P J ISOLA

The point I am making and I thought I had made it clear and I do not think I have got the clarification that I wanted and if the Chief Minister thinks he has given it to me then he need not reply any more to it. The clarification that I want, Mr Speaker, is and as I said was that it would be unrealistic on our part to believe that there will not be reductions in the Naval Dockyard in Gibraltar sooner or later and that the impression given in the White Paper which was that alternative ways of fulfilling Her Majesty's Government's obligation to support the economy of Gibraltar

would be given if it is decided that the Dockyard there cannot be kept up indefinitely. I said that was not correct and it would appear that the other statement was more correct but that it would be unrealistic for us to believe that we will not be affected. I said the reason why I think we should know this point clearly is because that will enable people to get on with the job that obviously now has to be done. And the second one, Mr Speaker, and this is much more important than the first. The first is merely to take a realistic attitude but the second one is much more important and this is that Her Majesty's Government having admitted an obligation to sustain and support the economy of Gibraltar in the White Paper which we all knew, which we know she will honour and we all have full confidence in it, I am asking the Chief Minister whether he sought an assurance that there would be no reductions that would affect the economy, no significant reduction that would affect the economy without first having considered alternative ways of sustaining the economy of Gibraltar and having implemented them otherwise there is a danger of a gap of hard times of three, four, five, six, seven or even ten years and that is the other point I wish to make.

HON CHIEF MINISTER

Mr Speaker, I said nothing in my statement that gave an indication that sooner or later we are going to have reductions in the workload in the Dockyard, I have said nothing contrary to that. In fact, I did say, whatever difficulties may lie ahead it is still too early to gauge what these might be, or their extent. With regard to the other one, I do not have to answer the question, I will just read again paragraph 9 of my statement, "If, however, a reduction in the workload of the Dockyard was inevitable, we would wish to be given the earliest possible notice, as well as adequate time, to enable us to plan and introduce smoothly the development of alternative possibilities without a damaging hiatus". That was agreed.

HON P J ISOLA

This is what the Chief Minister said to the Lord Privy Seal but what did the Lord Privy Seal say to the Chief Minister, did he give him that assurance? That is what I am asking.

HON CHIEF MINISTER

Of course he gave me that assurance, that was the understanding of the meeting, I think it is childish to pretend that I said something and he said: "You are not going to have it" and I say it here solemnly after seeing the Lord Privy Seal.

HON J BOSSANO

Can I ask on the question of the consultation with Spain, Mr Speaker? The Chief Minister has been given an assurance that the British Government will not in future, or any future date consult Spain about the use of the Gibraltar Dockyard, is that correct?

HON CHIEF MINISTER

I did not say that nor I think is it relevant . . . .

HON J BOSSANO

It does say, Mr Speaker, if the Honourable Member will allow me to interrupt him. It says here that there had been no consultation and that there would be none, that for me is a future tense.

HON CHIEF MINISTER

Yes, that is right. This arises out of the context of the reference in the statement of the IPCS minute where they said that there would have to be consultation between Gibraltar and Spain and it is in that context that I asked and they said the Secretary of State said nothing of the kind, in fact, they were intrigued as to how that could have got into the minute and it is not the minute or the Government, it is the minute of somebody else though it is not pretended that it has been invented, but how the thing got into that or who said something about it was as intriguing to them as it is to me and may be to others but not only did I get this affirmation that there had been none but that there was no question and none was intended in respect of the changes in Defence strategy.

HON J BOSSANO

Mr Speaker, on the question of consultation with Spain, I think perhaps consultation is a misleading term, but in fact was the Chief Minister given any indication as to whether Mr Nott had told Trade Union officials at that meeting that in looking at the use they might need to make in future of the Gibraltar Dockyard or the Gibraltar facilities, one clear influencing factor would be what they would have available from Spain as a result of Spain belonging to NATO was that said at that meeting? Does he know?

HON CHIEF MINISTER

I was given a categorical assurance that Mr Nott had not mentioned Spain for anything at all at the meeting with the Trade Unions, the most firm and categorical assurances and that they did not intend to consult Spain about anything in connection with the Defence Review.

HON P J ISOLA

I agree with the Chief Minister there is a categorical assurance given in relation to Spain and we welcome that but I have read his statement and I can see no reference to the assurance that I have been thinking having been given. Is this outside the speech because in paragraphs 9 and 10 there is no assurance from the British Government about implementing changes before reducing the level, I do not see it, perhaps I could be referred to it.

HON CHIEF MINISTER

It may be that I have not been particularly felicitous in preparing the statement but, of course, that was the agreed statement and let me say that this statement has also been seen by those advising the Lord Privy Seal and it has been agreed with and in fact that at the meeting the categorical assurances that I asked for were obtained.

HON P J ISOLA

It is a pity then, Mr Speaker, that those who drafted this statement did not put those assurances in because I would have thought that was the most vital part of the statement.

HON CHIEF MINISTER

This is an attempt on the part of the Leader of the Opposition to create alarm and dispendency.

MR SPEAKER

Order. Anything further to be said on the statement will be the subject matter of a motion which can be moved in the House. We have gone as far as we can go. I will now call on the Minister for Economic Development and Trade to make his statement.

HON A J CANEPA

The House will recall that during the course of this year's budget debate I referred in broad terms to the Gibraltar Port Study Report. The report has been carefully studied and considered by the Government and has been accepted in principle subject to two matters to which I will refer later in this statement. I am now in a position to give the House an outline of its content and recommendations together with a summary of Government's proposals for the future operation and development of the port based on the findings of the Report.

The Port Study presents a thorough and realistic assessment for port development up to the year 2000. The study has been carried out in two parts. The first is concerned mainly with the collection of data and the forecasting of demand for the various services associated with the port. In the second part of the study, these demand forecasts have been used to determine where the best opportunities for development lie. The study has emphasised the economic and planning aspects and these in turn have determined the engineering solutions. Full account has been taken of external factors such as the EEC, the competitiveness of neighbouring ports and the possibility of normalisation of the situation with Spain, all of which will or could have an important effect on the future of the economy in general and of the port in particular. The consultants have assumed that the frontier with Spain will be open on a twenty-four-hour basis for the free passage of people and goods. This assumption is central to the analysis and to the basis on which recommendations have been made.

The overall conclusion of the report is that Gibraltar's major prospects for economic diversification in an open frontier situation lie mainly with the growth of tourism and that development of the port should therefore be geared to this. The consultants have recommended that the expansion of port services and facilities can best be achieved by the re-organisation and optimal use of existing facilities and no major investment is envisaged to stimulate new large-scale activities such as, for example, the establishment of a manufacturing base, or a large scale transshipment centre. The economic benefits which are likely to flow from such

manufacturing activity are low given the shortage of land, the high cost of land reclamation, and the unavailability of suitable labour. There are no realistic prospects for developing large-scale transshipment activity although it is felt that there are possibilities for limited transshipment trade which can be accommodated within existing facilities, provided these are properly exploited and managed. The recommended development strategy for the port revolves around tourism, with relatively large scale investment in the development of ferry and associated services and the rationalisation of existing facilities. A number of development schemes have been proposed and Government intends to proceed with their implementation on the basis of a ten-year plan.

The first priority project will be the replacement of the existing Viaduct bridge by a causeway to the north of the existing roadway. This project is to be carried out in conjunction with the reclamation of Waterport Basin. The area reclaimed will not only provide a permanent link between the North Mole and the town, but also create ferry terminal facilities and a substantial holding area for passenger and vehicular traffic generated by this activity. The proposed project will provide two roll-on/roll-off berths on a jetty extending westwards so as to retain the existing berths on the north side of Waterport Wharf. A vehicle inspection shed will also be provided. The construction of a modern ferry terminal in the new reclaimed area would also ensure that Gibraltar is well placed to recapture a sizeable proportion of cross-straits ferry traffic, as well as to cope with cross-bay traffic once communications with Spain are restored. The provision of the roll-on/roll-off berths will enable international commercial vehicle traffic to use Gibraltar in the Europe-Africa link. The total cost of this major development scheme is expected to be in the region of £3.5 million, and is subject to negotiations with Her Majesty's Government in the context of the Gibraltar Government's Aid proposals as well as with the Ministry of Defence. It is too early therefore to give any indication as to when the project will start nor of the financing arrangements. There are other projects estimated to cost some £700,000 aimed at improving services and facilities within the port. A modest cruise passenger terminal building as an extension to the new port offices on the North Mole, for example, is one such scheme. Repairs will be carried out to the existing Transit Shed at North Mole, and a Container unstuffing shed will be built on the new container berth. Moreover the reclamation between Varyl Begg Estate and Jetty No.5 will continue with builders rubble being used, as and when it becomes available, to provide the necessary fill. In this way it is expected that a sizeable area of land will be provided at an economic cost to Government.

As regards the re-organisation of the port, the consultants have emphasized that it is essential that all non-port users be moved from the port as and when possible. Government has, in line with this policy, accepted in principle the recommend-

ation that the Ice Box situated at Western Arm should be re-provided elsewhere; the resiting of the premises is under discussion with the owners. Similarly Government has decided to re-site Gibraltar Underwater Contractors at Queen's Stores as originally envisaged and approved, thereby decongesting the area at Commercial Wharf. The consultants have recommended that this user should be provided with premises at the Detached Mole. This has been rejected for a number of reasons - the mole is too narrow, there are no services nor adequate buildings and the proposed move would deprive the Port of berthing facilities for longer stay vessels with consequent loss of revenue.

The consultants have also suggested three options for the restructuring of port management i.e.

- (a) the establishment of a statutory port authority;
- (b) the creation of a Cargo Division; and
- (c) the appointment of a Port Manager

The first two proposals would entail considerable investment in the purchase of equipment and the recruitment of substantial additional Port Department staff in specialised fields and would pose considerable problems in co-ordinating port operations generally. The Government is not convinced that the expenditure involved is justified and had decided that a sensible option is the appointment of a Port Superintendent or Overseer with two assistants. These officers will be responsible for the organisation and running of the port as regards cargo handling, container storage, berthing and other related activities. The Government is confident that this, together with the implementation of the development proposals, will lead to the desired improvement in port services and facilities. The Port Ordinance will also be revised to give the Captain of the Port additional powers to allow more effective management of the port. It is also the Government's intention to erect a new port security fence to seal off the port area from non-port traffic. This will be done when the frontier opens and will coincide with the introduction of a system of regulated entry passes. The Government will meanwhile speed up its programme of cleaning and tidying up the port.

The Report highlights the importance of the yachting trade. Government will continue to encourage the expansion and development of marinas. In this connection I would point out that permission will be given for the expansion of

Sheppard's Marina subject to acceptance of certain conditions which will help towards the comprehensive development of the area as a proper marina complex.

The consultants have also examined the question of Gibraltar's status with the EEC, particularly in the context of Spain's entry. This aspect of the report is of a sensitive nature and the Government considers that details cannot be released. I would merely add that the report re-appraises Gibraltar's existing status within the Community and assesses the implications for Gibraltar arising from the possible establishment of a Free Trade Zone.

As is to be expected the report also introduces some aspects of environmental town planning, pointing out the main areas where action outside the port is required. These relate specifically to traffic parking and environmental improvements which should run parallel with the proposed port development schemes. The consultants have produced estimates of excursionist and vehicular traffic flows across the frontier once restrictions are lifted and recommend a segregated channel system to speed up traffic flow, particularly at peak times. To improve access between the Port itself and the frontier, it is recommended that the Port entrance be moved westwards of the entrance to the Varyl Begg Estate and that the roundabout at Waterport should be re-modelled to give greater priority to traffic in and out of the Port area.

Mr Speaker, I have attempted to outline the more important aspects of a very comprehensive document. I feel that the report will provide a useful, indeed critical, basis for the development of the Port for many years to come. Because of its wide-ranging analysis and the sensitive nature of certain sections of the report, the Government is prepared to make a copy of the report available to the Opposition on agreed terms. I am confident that in this way the study will not only assist the Government with its planning but will make possible better and more informed debate on the future of the port in this House.

#### BILLS

##### FIRST READINGS

MR SPEAKER

Perhaps the Honourable the Attorney-General would like to move the suspension of Standing Orders to enable the taking

of the first reading of the Landlord and Tenant (Miscellaneous Provisions) (Amendment) Ordinance. This is in respect of suspension of Standing Order No.30 since seven days notice has not been given.

HON ATTORNEY GENERAL

Mr Speaker, I beg to move that the suspension of Standing Order No.30 in respect of the Landlord and Tenant (Miscellaneous Provisions)(Amendment) Bill, 1981.

HON P J ISOLA

If the second reading is not going to be taken as it is not obviously, because nobody has read this yet, could not this Bill just have been published and taken as is the usual practice, the first and second reading at the next meeting of the House and thus not requiring suspension of Standing Orders? I do not see the point of having a first reading when nobody can give any view at all and give the wrong impression.

HON CHIEF MINISTER

Mr Speaker, I wanted to make it clear that it was a Bill that was being proceeded with and wanted the formal first reading. I appreciate that it can be published in the Gazette as we have published others. I did say, one or two meetings before this one, that we would be bringing legislation and am formally putting it to the House that this is what the Government, subject to any representations that will be made, is committing itself. I have thought that it is better to have a first reading formally and have that as a formal intention of the Government to proceed with the Bill.

Mr Speaker then put the question which was resolved in the affirmative and Standing Order No.30 was suspended in respect of the Landlord and Tenants (Miscellaneous Provisions)(Amendment) Ordinance 1981.

#### THE LANDLORD AND TENANT (MISCELLANEOUS PROVISIONS) (AMENDMENT) ORDINANCE, 1981

HON CHIEF MINISTER

Mr Speaker, I have the honour to move that a Bill for an Ordinance to amend the Landlord and Tenants (Miscellaneous Provisions) Ordinance (Chapter 83) 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 CHIEF MINISTER

Mr Speaker, I beg leave to give notice that the second reading committee stage and third reading of the Bill be taken at a subsequent meeting of the House.

### BILLS

#### FIRST AND SECOND READINGS

#### THE TOWN PLANNING (AMENDMENT) ORDINANCE, 1981

HON A J CANEPA

Mr Speaker, I have the honour to move that a Bill for an Ordinance to amend the Town Planning Ordinance (No.8 of 1973) be read a first time.

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

#### SECOND READING

HON A J CANEPA

Mr Speaker, I have the honour to move that the Bill be now read a second time. Sir, the current planning scheme was approved by the Development and Planning Commission in August 1976. Section 41 of the Town Planning Ordinance states that at least once every five years, after approval by the Commission of the Planning Scheme, the Chief Planning Officer shall carry out a fresh survey and submit to the Commission proposals for any alterations or additions to the current scheme as may appear to him to be

necessary. It is accordingly mandatory on the Chief Planning Officer to carry out the statutory duty within the specified period which in this instance will lapse at the end of August this year. Sir, the Chief Planning Officer had drawn attention to the new general census of the population which is to be carried out later this year and to the desirability of delaying the review of the planning scheme until census has been completed as this would enable the survey to be based on the most up to date statistical data available in the course of the census. The Development and Planning Commission has considered the point raised by the Chief Planning Officer and has agreed that it is desirable to allow an extension of a year. Therefore, Mr Speaker, Clause 3 of the Bill before the House seeks to amend the principal Ordinance in order to empower the Development and Planning Commission to allow an extension. We are also, Mr Speaker, introducing a number of other amendments, some of which are of a minor nature. Amongst the rather more important, however, are the amendment that provides for an appointment of an Acting Chairman. At present the Governor does this after consultation with the Chief Minister, but as this is a defined domestic matter the Governor should properly act on the Chief Minister's advice and the Bill seeks to put this matter right. The opportunity, Sir, is also being taken to introduce a revised definition of the power to provide in a plan for the preservation of antiquities thus according with definitions which the Government will be proposing in the new Gibraltar Museum and Antiquities Ordinance which we hope to introduce in the House before long and which are in any event rather more in keeping with contemporary terminology. There are a number of other matters which I would regard of a more legal nature, Mr Speaker, that are being dealt with in the Bill, such as the abrogation in respect of prosecution under the Ordinance of the normal limitation on summary prosecutions, at least in matters with substantive repercussions. I am informed by the Attorney-General that there is ample precedence for such an abrogation and we have found the rule an impediment in at least one case over the last two years. There is also contained in the Bill, Sir, a clearer definition of the powers of the Court of First Instance on appeals against stoppage orders and there is also provision for an order to continue in force pending such appeal. There are also, Mr Speaker, certain very minor drafting improvements in the Bill and an updating of the penalties that can be levied under the principal Ordinance. Mr Speaker, I have the honour to commend the Bill to the House.

MR SPEAKER

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

HON P J ISOLA

Mr Speaker, I am not quite clear why this Bill is being introduced except, of course, in relation to the updating of penalties. We do not propose that. Penalties should be updated and be realistic and this of course should be the case, I think, in all the Ordinances. A review for updating penalties should be carried out now and then. On the other parts of the Bill, I am not quite clear as to why it is that the the review period in Section 3 is being brought in.

Why further extensions in 5 years are thought necessary?

HON A J CANEPA

With all due respect to the Honourable Member, I noticed that when I was explaining that he was not listening. I think he was speaking to one of his neighbours.

HON P J ISOLA

I was listening to the Honourable Member. What I was trying to do was to get the Ordinance to have a look at what the position is. It seems to me that what is being done there is allowing things - "manana". Giving further time and more time and more time. When these things should be clear and decisions made.

Mr Speaker, I am hoping to get the actual Ordinance and I will comment further. I think there are two other points on the Bill . . . .

MR SPEAKER

That matter can be dealt with in committee stage.

HON P J ISOLA

It may be dealt with in Committee but there are two points I would certainly like to talk about and I think the Minister has rather glossed over it rather quickly. One is the question of a stoppage order. If there is a stoppage order on works, that order is effective and the person who is carrying on the work has to stop whatever the economic consequences to that person of a stoppage order until the Court of First

Instance has ruled in his favour. The economic consequences for that person if the Court rules in his favour may be pretty big. I think the usual procedure in the law when somebody appeals against an order is that you go in front of the Judge and you ask for a stay of execution of that order pending the hearing of the appeal. It is then open for the Government side to say why they feel there should not be a stoppage order, for example, if the work goes on it will do real damage to a next door neighbour or something like that or if the work goes on this will go wrong and the Court exercises its discretion whether to stay the execution or not. The other side will argue why the execution should not be saying, for example well, if I carry on with the work and Court rules against me I just have to undo it but at least it will cost me less if I do it now than if it is left over. In other words, what usually happens in the normal legal procedure in this situation is that it is left to the Court to decide whether it is reasonable to give a stay of execution of the order or not. I have heard no good reason why that normal procedure should not be followed where town planning is concerned unless the Government is prepared to put in provisions allowing a Court to grant compensation to a party who has been unlawfully stopped from carrying on its work.

HON A J CANEPA

It must be stopped because the work is unlawful.

HON P J ISOLA

If he is entitled to compensation then it is alright. By all means let the stoppage order be effective. This particular section, Mr Speaker, smacks of dictatorialism, if I may call it that. If I make a stoppage order you stop. If it takes six months for the court to hear the appeal and you win, well, it is your bad luck is it not? If my officials think I should stop then let it be so. I think that is wrong. In principle, it is wrong. I do not know what is the problem the Minister has on that section. I do not know what the problem is. Perhaps, in reply he will explain it and perhaps I will listen to him more carefully then. But if there is a problem let him explain it. I would like the Government to consider following the normal democratic principles of justice procedures. You depart from these when they are justified but not just because some official gets annoyed because he has made a stoppage order and the other side has gone on with the work and

that is it. So, Mr Speaker, I would recommend to the Government to make that section a little more reasonable than on the face of it, it appears to be. Especially, having regard to the way building costs and everything else escalate, and if somebody has been stopped unfairly unless the Government is prepared to compensate for any loss he may suffer while the case is being heard, then it should be left to a judge or somebody to come up and explain why the stoppage order should be laid or set aside, or whatever, pending the hearing or the other side to say why the stoppage order should stay effective because there is some fundamental problem whatsoever. That would be the normal procedure and I would recommend it to the Government. Mr Speaker, with regard to the other amendment which takes away the time limit for prosecution of offences, again, we would oppose that because we are talking here of criminal proceedings before a Magistrates' Court. I notice the Minister has referred to one instance where this has occurred and the prosecution has not been able to go forward because the period of six months has gone by. He has referred to one instance and, since I have had experience of one instance where the time limit had expired for the Government, I can only assume that we are both talking of the same instance. Mr Speaker, are we going to amend the law and have no time limit for offences because on one occasion that the Government issued a summons and sought to prosecute they discovered that the alleged offence had occurred eighteen months before and the fellow got away with it I suppose. I know from personal experience, as I said I was involved in it. Because of that from now on we will do away with this general principle that criminal offences of a petty nature should not be hanging over people's heads for an unlimited period of time. I had a case, Mr Speaker, in the Courts where I argued for hours that my client was not guilty of the offence and at the end of the case the Magistrate dismissed the case because neither I nor the prosecution had realised that the proceedings had to be brought within three months or something of the commission of the offence. We had all been wasting our time. These are normal democratic safeguards for people from the high handedness of civil servants and civil service authorities who should do their jobs within the time. There are time limits, Mr Speaker, in a host of laws. There are time limits in procedures in the Courts and all that is meant to protect people from delays and the idleness of people whose responsibility it is to administer the ordinance. It seems to me that, because the Government or a Government official burns his fingers in one particular case the Government should now change the law and allow prosecution for minor offences or any sort of offences under the Town Planning Ordinance to be made

ten years after the offence is committed, it is wrong and the House should reject what is essentially an undemocratic amendment to the Town Planning Ordinance. To me that is wrong in principle. I appreciate that it is annoying for officials and it is annoying for people to get caught out on a legal technicality, but this is happening every day to lawyers, Mr Speaker. It is happening every day to all sorts of people. The answer is, if somebody has committed an offence under the Town Planning Ordinance, well prosecute him; you have got six months to prosecute him in. The section that deals with that says within six months of the offence, not having been committed, but of having come to the notice of the person who prosecutes. So the offence could have been committed ten years ago and it comes to the notice of somebody, ten years later, he has still got six months in which to prosecute. Why do the Town Planning authorities want more than six months - an unlimited time? I suspect, Mr Speaker, it could be because there are, as you know Mr Speaker, departments in the Government that are known for the very slow way in which they operate and the answer to that problem is not to encourage them to act still more slowly, by giving them more and more time, but to make sure that they do think quickly and within time and bring the prosecution within six months. Mr Speaker, I am objecting to this particular clause here, as a matter of general principle, because if we allow this clause to be passed in the Town Planning Ordinance, I am sure we will be getting amendments for a lot of other laws doing away with the time limit for summary offences so that everybody can sit on their back-sides and take five years to decide whether somebody should be prosecuted or not. I hope the Government will have a second think about that section. We will vote against that one and, in the absence of good explanations, Section 7. We will vote against this in the absence of good explanations because we think that it is unfair on somebody who is committing no wrong, and is stopped doing his work wrongly, to have to wait till an appeal has been heard and have no provision for compensation. If he wins the appeal six months later, good luck to him or bad luck to him if he has lost a lot of money, what do we care. If that can be answered, then we go along with that section, Mr Speaker, but I think this House must be concerned, not only with the obligations and the rights of the community at large etc., but also with the obligations and the rights of the individual. That is what makes our society different to a communist society. As long as we ascribe to this sort of society then I think the protection of the right of the individual is something that is important and must be upheld. Mr Speaker, I agree with the question of

the Governor appointing on the advice rather than after consultation. I agree on that amendment as that is putting the Constitution position correctly, I suppose, although I cannot imagine the Governor, after consulting on a matter like this, going against the advice of the Chief Minister. Anyway, we go along with those amendments that make things technically correct. So, Mr Speaker, subject to those comments and subject to my comment in furtherance of Clause 3, when it comes to committee stage, does not leave very much I am afraid of the Ordinance, but subject to those, we go along with the Ordinance.

#### MR SPEAKER

Now, if there is no one who wishes to speak on the general principle, after 4.30 we could recess. If it is going to be a very short intervention and the Minister wishes to reply, well, that is the end of the matter. Any Member of the Opposition wishes to speak on the general principle?

#### HON ATTORNEY GENERAL

Yes, Mr Speaker, thank you I will be brief on the matter. This is essentially a machinery Bill but if I could catch on the points raised by the Honourable and Learned Leader of the Opposition, on Clause 3, on which I will go the most briefly, can I simply make the point that it would seem to me that this reflects a principle already established in the Bill itself so far as the extension of time for the initial scheme is concerned. So I think the principle that this Clause contains is a principle which is listed in the Bill. This is the only comment I wish to make on that. If I could speak briefly on the question of the stoppage order and explain a little bit about why it was considered necessary to provide this provision. At the moment, the section in the Principal Ordinance dealing with the stoppage order is sound as to the consequences of the order pending an appeal. If I may say so, from the legal point of view, I think the point taken by the Honourable Leader of the Opposition is a sound one in context. I would, with respect, slightly differ from the emphasis in the way he approaches the question of what should happen pending an appeal. I think that normally one should assume that pending the appeal, a decision already taken should stand, and while I do not want to spell authority with a capital 'A', I think there is something in the point but if a decision is taken there is a presumption that it has been taken in accordance with

authority with a small 'a'. The other factor that to me seems relevant is that we are talking here about works which could be substantial works and if a stoppage order has been issued and if the work goes on, the consequences could be quite serious. But, having said that, I can see myself now from the point that is taken, that there could be a case in which you may wish to make an exception and I would like the opportunity to consult with Ministers on this. It seems to me that, to meet the point that concerns the Leader of the Opposition, one could add a small amendment to subclause 3 so that the general principle would be that when a stoppage order is issued, it remains in force pending the appeal, but it would be open to the applicant, if he felt that he was going to suffer hardship, to make an interlocutory application to the Court and the Court, on that application, if it saw fit with the insight in this case we will not suspend the effect of the order. That is a matter on which I would like to consult with Ministers, but it seems to me that the point is one which is worth looking at, if I may say so. Coming, finally, to the question of Clause 9 of the Bill, dealing with time limits, again, with respect, I slightly but disagree with the Honourable and Learned Leader of the Opposition. I myself would not regard the time limits on summary prosecutions really as a matter of principle, certainly not a matter of high principle, as I see it is essentially a practical device to bring to an end petty offences, in other words, there comes a point of time when one does not want to be bothered with an offence even if it was an offence and the matter should be closed off. So I would not quite see us here as infringing a breakage in the principle of criminal law and I think also in the case of Town Planning, even if the offences are dealt with summarily and not necessarily petty offences, I think the consequences are quite serious and while I do not really want to speak of a particular case, I think, if redress is not available one can judge by reaction the seriousness of the consequences. So I would still support the idea that in the case of Town Planning legislation it is not unreasonable to waive the six months rule. Mr Speaker, as I say, if I may consult on the other point I would like to consider that further at the Committee Stage of the Bill.

#### HON A J CANEPA

Honourable Members opposite who were members of the House in 1976 have in their possession the report of the City Planning Survey and Analysis. If they do and they check the Survey and Analysis they will find that there is a great deal of statistical data in that Survey and Analysis.

When the Principal Ordinance was enacted in 1973 it was in fact not realized that by introducing the City Plan in 1975 we would have to draw so heavily on statistical data and what happened in 1975 was that we had to draw on the census of 1970 and supplement it with more up to date information and data which it was a very laborious process to extract. We now have the opportunity that there is going to be a census in 1980. All the data will be available there and therefore it is logically plain sense to draw upon that census as we will have to and to come up with a planning scheme in 1982. This is the reason behind that and there is no other devious motive behind it.

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

HON A J CANEPA

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

The House recessed at 4.35 p.m.

FRIDAY THE 10TH JULY 1981

The House resumed at 8.30 a.m.

THE PUBLIC HEALTH (AMENDMENT)(NO.2) ORDINANCE, 1981

HON ATTORNEY GENERAL

Sir, I have the honour to move that a Bill for an Ordinance to amend the Public Health Ordinance (Chapter 131) be read a first time.

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

SECOND READING

HON ATTORNEY GENERAL

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

Sir, some time ago the Government announced its intention to promote legislation to regulate the use of speed boats by the seaside. Powers to control pleasurecraft at large which is a fair amount wider than the speedboats already exist under Section 222A of the Public Health Ordinance. Rules have, accordingly, already been made as has been referred to earlier in this meeting which update and replace the existing rules governing pleasurecraft but these rules are not in force as yet. At the same time it is considered desirable that the powers which are contained in Section 222A of the Ordinance, which are couched in general terms, should be, for the avoidance of doubt because it may be open to some contingent, amended to spell out quite expressly the powers relating to the speedboats. And so that this Bill, Sir, will expressly confer a power to make rules requiring test of competence before a person or persons of a certain category may operate or navigate speedboats and also a power, where an offence is reasonably suspected, for law enforcement officers to board boats and inspect them and to require the names, addresses and ages of the persons who are navigating the boat. The Bill, also defines expressly the terms pleasurecrafts, speedboats, and navigator. Under the Bill, Sir, a speedboat is a boat which is mechanically propelled and which is capable of exceeding 20 knots. Now in practice, that may cause problems of law enforcements because it is no easy matter to be able to prove that at a particular time a boat was doing 21 knots or could do 21 knots and so there is a Clause in this Bill which provides that on any prosecution for an offence under the rules, if the prosecution can prove that the vessel was in fact mechanically powered, then the onus will shift to the defendant to prove that it could not be more than 20 knots. There is a modification of the normal rule, but nevertheless in the circumstances, to which this relates, I think on grounds of practicability there is a case for having such a clause. So Clause 3 of the Bill, also contains provision to eliminate any argument as to the effect of the present rules. Sir, I commend the Bill to the House.

HON G T RESTANO

I am not so sure whether this Bill as presented is going

to be of very much effect. I am just going to pose a few questions which I hope the Honourable mover may be able to answer when he winds up later. First of all, under Section 23, it says, providing for tests of competence in navigation of speedboats. I think we should know a little bit more about who is going to carry out those particular tests, and what these tests are going to consist of, because, before we commit ourselves to agree or not to agree on this, I think we should really know what we are talking about, and there has not been any explanations given as yet. In F, prohibiting persons of specified classes from navigating speedboats unless they have passed such tests of competence. Now, when the matter I think was first raised some time back, the reason why we asked for legislation was to stop young children from handling speedboats, unless they were accompanied by adults, but I do not see anything about young children in the law. That may well be that it is included in here, but I think again, one would need to know whether the age limits, or any age limits are going to be imposed. The third act, which I suppose really is the most difficult one to enforce but which is really what causes the problems, is the speed-limit within the port area and next to beaches. I know that this is very, very, difficult to enforce, but that is where the problem, the main problem arises, where speedboats come out of let us say, Montagu Bastion, next to a building estate, where children are bathing, at a very high speed, causing, or with a possibility of causing, accidents to bathers in the sea. Now, the speed limit is something which exists I think, within the port area, but very difficult to enforce, I know, and I wonder whether there is anything in this Bill which provides for the enforcement of penalties on people who exceed that speed limit. And, the last point I would like to make is on the penalties. There is nothing in the Bill with regard to penalties, and although the penalty is covered in the criminal and justices administration, I feel that possibly, higher penalties should be imposed on persons who do infringe this particular law, and I hope the mover may be able to answer some of those questions when he winds up.

MR SPEAKER

Are there any other Honourable Members?

HON CHIEF MINISTER

I think, Sir, that subject to what the Attorney General may say in reply to that, I think that it should be realised

That these are just to make sure that there are enabling powers to the rules that have been passed anyhow, and that in fact all the details that the Honourable Member has mentioned are specified in the rules. Age, nature of the danger, proximity to the bathing places, and so on, these are all set out in the rules.

MR SPEAKER

Well, perhaps the mover would like to reply.

ATTORNEY GENERAL

Thank you, Mr Speaker, if I may take up the points which the Honourable Member has raised, I think, perhaps, I did not express myself clearly in that, I made a mistake in reading out this Bill. At present, there is a section in the Public Health Ordinance, which gives power to make rules to regulate pleasure crafts, including speed boats, and we have made rules, and the rules cover in detail the various points with one exception to which I will come, perhaps, two exceptions, to the various points which the Honourable Member has referred to. But the rule making power is in very broad terms and, we thought it desirable to promote this Bill before the House, spelling out more details of the enabling powers not the substance of the rules, but the enabling powers to make the rules. And so, that is the purpose of this measure. So far as the port is concerned, I think myself, that 6 and 222A of the Public Health Ordinance, whilst strictly speaking it can be used to make rules which apply to the port, I think myself that it is really directed more towards the beaches and the areas around the beaches of Gibraltar and I have not got the Principal Ordinance with me, but from recollection I am quite sure that there is a provision which says that any rules which are in fact made under Section 222A which are in conflict or inconsistent with admiralty rules, or port legislation, must take second place. Now there is a pledge on this matter which is that the port is subject to be regulated separately. The scope of what we have been dealing with, we spoke of this on the beaches themselves rather than on the port. On the question of penalties, I am not myself at the moment aware that, penalties themselves are too low, I must confess I am not particularly aware of many cases involving the enforcement of the present rules anyway, I do not know how well they are being observed, but certainly, as far as I am concerned, they are not a matter which is coming before us every day. I would prefer not

to touch the penalties, I think, until I see a sign, a very clear sign, that there is a definite need to do so, and the Bill itself did not concentrate on increasing penalties. That is all I have to say.

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

#### ATTORNEY GENERAL

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

#### MR SPEAKER

Since this is bound to happen today, do all members agree that the Committee Stage and Third Reading should take place today?

#### HON P J ISOLA

We do not agree Mr Speaker, if it will not be effective this year.

#### MR SPEAKER

If you disagree, no, if you do not agree we would get it on Monday, when there is nothing else.

This was agreed to.

#### THE FIREARMS (AMENDMENT) ORDINANCE 1981

#### HON FINANCIAL AND DEVELOPMENT SECRETARY

Sir, I have the honour to move that a Bill for an Ordinance to amend the Firearms Ordinance (Chapter 60) be read a first time.

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

#### SECOND READING

#### HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, Sir, I have the honour to move that the Bill be read a second time. The Bill seeks to increase the fee payable for the issue and renewal of firearms certificates and for the registration for firearms dealers, and the renewal of such certificates. I think it is unusual for fees of this nature to be amended within the Ordinance rather than by Regulation, and this points to the fact that the fees have not been changed since 1958 at which time I think, the procedure whereby these were changed by regulation or rule rather than by the Ordinance itself was the practice. Since 1968, the index of retail prices has increased some six fold and an increase of that order might be justified. However, except in the case of the registration of firearms dealers, the increase is at a lower rate of magnitude. The reason for this is that in considering the increases, the Government considered that a full costing exercise should be carried out by departments when they are proposing increases in fees for services, so that account can be taken of the cost of rendering the service when a fee is fixed. So, to an extent, these changes are a measure which will possibly last for a year until they are again reviewed, and when they are next reviewed they will be based on actual costing of the issue of such certificates. 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

Thank you Mr Speaker, I really want to speak on the principle that the Financial and Development Secretary has set out in respect of services granted, given by the Government in the firearms and generally I think one welcomes the review that is being done in all the services the Government renders to the public to give realistic charges related to the cost of the services being rendered and we agree to this Bill and we approve it. However,

Mr Speaker, what I would like to say on this particular point is that if the Government is going to be more realistic in the fees that it charges for services rendered to the public, not just here but in other areas of Government activity, it is equally responsible to ensure that the service that is given is efficient and quick. I think there is a growing feeling in some areas of Government activity that the service that is given to the public is not possibly as efficient and as speedy as I am sure the Government would like to see it done, and therefore I think, that whereas, none of us oppose the principle of relating the cost of services that the Government gives in various areas of Government activity to the public relating it to its actual cost, there is no objection to that in principle but there is the other side of the coin, and that is that the services given should be prompt, speedy, and efficient. We agree with the principles of the Bill.

MR SPEAKER

Are there any other contributors? You wish to reply to?

HON FINANCIAL AND DEVELOPMENT SECRETARY

No, Sir, Mr Speaker, merely to thank the Honourable and Learned Leader of the Opposition for his remarks which I have taken note on the provision of services, and I am glad that the Opposition welcomes this.

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

MR SPEAKER

Again, as this will happen today, do all members agree that the Committee Stage and Third Reading should be taken?

This was agreed to.

THE SUPPLEMENTARY APPROPRIATION (1980/81) (NO.2) ORDINANCE, 1981

HON FINANCIAL AND DEVELOPMENT SECRETARY

Sir, I have the Honour to move that the Bill for an

Ordinance to appropriate further sums of money to the services 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.

## SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY

Sir, I have the honour to move that the Bill be now read a second time. Following the passage of the Supplementary Appropriation 1980/81 Ordinance, 1981 through this House on Thursday the 12th of March this year, it was found that the provisions under Head 20, Item 24, of the Recurrent Estimates, which provides for the importation of water, was inadequate. This was because it proved necessary to import further amounts of water following the continuation of the continuous dry weather. By the 17th March, the position was that there was recorded expenditure and commitments until the end of the financial year of £313,000. In addition £15,000 was required to meet bills for shipment which had just been received and it was known that a further fourteen shipments amounting to 2,450 tons, which would cost some £34,000 would be required and would have to be paid for, before the end of the financial year. This brought the total estimated expenditure to the 31st March 1981, to £562,000, whereas the approved funds were only £565,530. There was therefore a projected shortfall of £96,470. Accordingly, I signed a Contingency Warrant for £96,500, to cover this expenditure. The Bill, now before the House, provides the Supplementary Appropriation of £96,500 to replace the amount paid from the Contingency Fund. Sir, I commend the Bill to the House.

MR SPEAKER

Well, before I put the question to the House, would any Honourable Member wish to speak on the general principles and merits of the Bill? I will then put the question. Yes, Mr Isola?

HON P J ISOLA

Sir, we do not have to bother I suppose with the Committee.

the only thing I notice is that we are being asked to vote Supplementary Provision, I know that it is from figures that have been given to us that the amount of imported water, water imported during January 1981, December 1981, October, September 1980, the level of importation seems to have been fairly constant, except for a drop around December, although there was slightly less imported, you know, I would have thought that, that would have been provided for in the estimates. It seems to me that looking at the figures of importation, unless the cost has gone up considerably, looking at the figures of importation over the last twelve months, going back to June, July, it is fairly constant. Possibly when the estimates were drawn up, it was hoped it would rain between the time they were drawn up in December and the time they were passed in the House.

HON M K FEATHERSTONE

Sir, the question of the importation of water always will fluctuate depending on the rainfall, had we had the expected rain in the winter months, we would have told the importers to reduce the amount of water imported. Since the rain did not come, the amount of water imported remained more or less at the same level as it is during the summer. Under normal circumstances we would reduce importation during the winter months.

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 SUPPLEMENTARY APPROPRIATION (1981/82) ORDINANCE, 1981

HON FINANCIAL AND DEVELOPMENT SECRETARY

Sir, I have the honour to move that the Bill for an Ordinance to appropriate further sum of money for the services of the year ending with the 31st day of March 1982, be read a first time.

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

SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY

Sir, I have the honour to move that the Bill be now read a second time. The Bill seeks to appropriate in accordance with Section 65(3) of the Constitution, a further sum of £52,400 out of the Consolidated Fund. The surpluses for which this sum is required are set out in part one of the schedule to the Bill and are detailed in the Consolidated Fund Schedule of Supplementary Estimates No.1 1981/82 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 £350,159 from the Improvement and Development Fund. The surpluses for which this amount is required are set out in Part 2 of the Schedule of the Bill and are detailed in the Improvement and Development Fund Schedule of Supplementary Estimates No.1 of 1981,82 which I tabled at the commencement of this meeting. Sir, I would like to bring to the attention of the House, that, some £220,000 of the £350,159, which is sought for the Improvement and Development Fund, is accounted for by revotes from 1980/81. That is to say, it is funds for projects on which projected expenditure fell slightly lower than that anticipated when the final supplementaries were prepared at the end of the last financial year. The other main item within this schedule to which I will draw attention to the House, is the £50,000 of the first phase of remedial work at the Tower Blocks and the sum of £27,000 for pre contract work on projects which it is intended to include in the next development programme. 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 the Third Reading of the Bill be taken at a later stage in the meeting with the leave of the House, if necessary today.

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 Development Aid Bill, 1981  
The Town Planning (Amendment) Bill, 1981  
The Public Health (Amendment)(No.2) Bill, 1981  
The Firearms (Amendment) Bill, 1981  
The Supplementary Appropriation (1980/81)(No.2) Bill, 1981  
The Supplementary Appropriation (1981/82) Bill, 1981

This was agreed to and the House went into Committee.

THE DEVELOPMENT AID BILL, 1981

CLAUSE 1

HON ATTORNEY GENERAL

Sir, may I move that the word "July" be omitted and that the word "September" be substituted in view of the fact that this Bill will require some time before it comes into force after its enactment.

MR SPEAKER

Now, that is the word "July" where it appears in Clause 1, Subclause 2. It is an amendment to Subclause 2, Clause 1. Is that right?

HON ATTORNEY GENERAL

Yes Sir, that is correct.

Mr Speaker then put the question in the terms of the Honourable the Attorney-General's amendment which was resolved in the affirmative and Clause 1, as amended, was agreed to and stood part of the Bill.

Clauses 2 to 5 were agreed to and stood part of the Bill.

CLAUSE 6

HON P J ISOLA

I beg to move the amendment standing in my name in Clause 6. That is, that Clause 6 be amended by the addition of the following words after the word "doing" in the third line thereof, and this is what we have put in, "and if this results in the rejection of an application the applicant shall be informed that the Minister had acted against the advice of the Committee".

Mr Chairman, I move this amendment, because I feel that as there is an advisory committee set up to advise the Minister and as he is required to record in the minutes of the meeting his reasons for acting against the advice of the committee, I feel that the applicant who, as a result of the exercise of the ministerial power here, contrary to the advice that the Minister receives, should be told that this has occurred. The reason why I believe this should be so, Mr Chairman, is, that in the event that the applicant might feel that he did have a good case, that there was a majority of people, let us put it that way, dealing with applications, though he had a good case, and therefore he ought to appeal to a review body to see this. I think that as I said at the second reading of the Bill, there is a need in Legislation of this nature which affects development in Gibraltar, there is a need to give as much protection as possible against possible abuse of ministerial powers in a matter which I think is a very sensitive, a very sensitive area of Gibraltar life and activity, and although today we have a Minister who is really a full time Minister, tomorrow, we could have a Minister, Mr Chairman, who has private interests, who has connections and so forth, and might be disposed more regularly to act against professional advice of his advisory committee, if he feels that this should be so for any reason at all. I think that where you have got an advisory committee and the Minister acts against this, the applicant should be told that this has occurred, nothing else, this has occurred, and that is the reason for this amendment. I hope the

Government can accept it.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, Sir, I regret that this amendment is not acceptable to the Government, for the reasons which I will expand. I think that one needs to look at the reverse of the reasons for which the Honourable and Learned . . . .

MR SPEAKER

Perhaps we should propose the amendment, and then we could deal with it. We will propose the question of move by the Honourable Leader of the Opposition, which is, that Clause 6 of the Bill, be amended by the addition of the following words, after the word "doing", in the third line thereof, that is the addition of the words: "and if this results in the rejection of an application, the applicant should be informed that the Minister had acted against the advice of the committee". Perhaps now we are in a position, sorry to interrupt you.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, Sir, I apologise. At this hour in the morning it is so very rare for me to be in advance of myself, but also in advance of the House, my apologies Sir, and to the House. I was saying, Sir, politically, that the Government regrets that it cannot accept the amendment moved by the Honourable and Learned Leader of the Opposition. First of all, I think it would be most unusual for advice which is given to a Minister to be made public, which is in effect what would be happening in this case. And the reason why the general rule both in UK and many other countries, why advice given to Ministers by officials is not made public, is that it would inhibit officials in giving advice to Ministers if this were to be made public. Now the Honourable and Learned mover, has suggested that, to inform an applicant who has been unsuccessful, that the Minister was acting against the advice of his advisory committee, might be to his benefit to the extent that he would then feel he had good grounds to appeal. But, I would suggest, Sir, that it might not, in fact, it could well not act to his benefit, because, if the advisory committee, were to know that the reasons why they were going against, or advising a Minister against a certain course of action, were to be published, this could

inhibit them giving their reasons and for that very reason could operate against the interest of the applicant. So, for those three reasons, Sir, I regret that the Government, as I said earlier, cannot accept the amendment although it sees the reasons why the Honourable Member has brought it forward.

HON P J ISOLA

Mr Chairman, I do not think that the reasons . . . .

MR SPEAKER

I will give a chance to any other Member who wishes to speak on the amendment, and then you can reply. Is there any other Member who wishes?

HON A J CANEPA

Was he going to exercise his right to reply?

MR SPEAKER

We are in committee, out for the sake of good order, I felt that perhaps all Members wishing to speak on the amendment, could express their views so that the mover can then have a chance, but there is no reason why he should not have a word now, but since we are in committee, would you rather wait?

HON P J ISOLA

If the Minister would like to speak out, it would be nice to hear him.

HON A J CANEPA

Mr Speaker, in the point made by the Honourable the Leader of the Opposition about the possibility of abuse of Ministerial Power, in my own experience, and it now goes back nine years that I have been in Government, is that, it usually works the other way round. There is a constant assent in Gibraltar, because Ministers are over accessible, because officials in departments are easily identifiable and accessible, there is a constant attempt by outsiders to get to the root of Government decisions. Government is not a

composite body, people are constantly trying to find out who was it in Government that took such and such a decision. That is bad I think for the business of Government, because people will try to find out whether it was the administration, whether it was the Council of Ministers that arrived at the decision and not Government as Government. That is why, because of that trend that there is in Gibraltar, I think that there are very serious problems in allowing applicants to know that in fact the minister had acted against the advice of officials on this committee, because it will then be the minister himself, who will be the target perhaps, of intensive lobbying in an attempt to get him to change his decision, and a minister is subject to political pressure. A minister knows perfectly well that what keeps him in office is the electorate, and therefore I think that he would be tempted to be less objective than if it is known that it is a committee of the Government which has advised Council of Ministers, or the Minister to take a decision, and this is the decision that the Government has taken and not try to split hairs and find out who took what decision. In practice, what I myself propose to do is, that I will keep Council of Ministers constantly informed about the deliberations of this committee, in the same way as for instance, the minutes of the Trade Licencing Authorities are circulated to me as Minister for Trade and to the Chief Minister. I will arrange for the minutes of all meetings of this Committee to be circulated to Council of Ministers, so that if any Minister feels that there is any matter that must be raised and discussed within the forum of Council of Ministers, the very fact that these papers will be circulated as information papers will give him an opportunity to do so, and the Minister for Economic Development will also feel that he has the consent by implication of a tacit consent of his colleagues in the manner in which he is carrying on his affairs. I will arrange for that to be the practice myself, and I hope, and I am sure that it will become the administrative procedure that will be adopted in future years by my successors whatever they may be.

HON P J ISOLA

Mr Chairman, I realise, that there are arguments for and against this, I appreciate the point that is made. Civil Servants must appear to be free to give advice independently, and if the fact that it is recorded that the minister has acted against the advice of his committee, pressure might then come at some future date on Civil Servants.

What I would have thought of the stature of the Civil Servant as to be on this Committee, considering the stature, that should not be an inhibiting factor. The problem that I find in this is, that a number of people will get to know that the Minister has asked against the advice of his advisory committee whatever any Honourable Member may say. I agree with what the Minister for Economic Development has said, that in fact, people always try to find out who is responsible for this. One gets it that so and so, but they do find out, if this provision is there, that the minutes have to record his reasons for going against the advice, people will find out, and what I am anxious is that everybody should be in the same position in this respect, every applicant. I am not asking that the thing should be made public, what I am asking is that the applicant himself should know if a Minister has acted against the advice of the Committee, that is all. If this amendment is not accepted, I wonder whether there is any point in putting that sub-clause in at all. The powers of the Minister is there and there is provision for a member of the committee who dissents from the advice of any other members to have the thing recorded, I wonder whether there is any need at all to have that clause, unless it is for the purposes of letting the applicant know that it is being done against the advice of the committee. When a court gives a judgement, a Court of Appeal, you get a dissenting one, and then if you get two chaps dissenting in a court then the man thinks well, look, there seems there are two people who agree with what I am saying and go forward. I am only doing this because I know what a sensitive area this is, the question of Development Aid. I have heard lots of ill advice, not ill advice, ill informed expressions on this particular point of grants or not grants of Development Aid, how somebody has got it and somebody else has not got it, and all the rest. I think that in this particular area, it is in Government's interest to have an open book, not now, not just now, but as a guideline for the future, so I must press my amendment, Mr Chairman.

HON CHIEF MINISTER

I think there is a very big difference in the reference to a majority in a Court of Appeal or in the House of Lords, which the Honourable Member has made. In that case everybody has got exactly the same standing, they are all administering justice in public, and naturally if they dissent they have the courage to do so, and give reasons for it sometime, good reasons are used in other arguments in subsequent cases. This is a different thing altogether, the Civil Servants are there advising the Minister, I think it is good that the minutes should so say. If it ever

occurs that the Minister does not take the advice, for his own safeguard, as much as for the safeguard of the Civil Servant internally, then I think that the Clause should stay as it is, it is easier for people to say, well, let us take it away. No, we do not want to take it away, I think the minutes should say so, and as the Honourable Member has said, if Minister's know that, then they will want to decide because ultimately it is their collective decision. So I think for those reasons given by the Financial and Development Secretary, which goes to the root of Ministerial responsibility and Civil Service advice, we should resist the amendment.

MR SPEAKER

Do you wish to say anything further on the clause?

HON P J ISOLA

No, Mr Speaker.

Mr Speaker then put the question in the terms of the Honourable P J Isola's amendment and on a vote being taken the following Honourable Members voted in favour:

The Honourable J Bossano  
The Honourable A J Haynes  
The Honourable P J Isola  
The Honourable A T Lodio  
The Honourable Major R J Peliza  
The Honourable G T Restano  
The Honourable V T Scott

The following Honourable Members voted against:

The Honourable A J Canepa  
The Honourable Major F J Dellipiani  
The Honourable M K Featherstone  
The Honourable Sir Joshua Hassan  
The Honourable J B Perez  
The Honourable Dr R G Valarino  
The Honourable H J Zammit  
The Honourable J Hull  
The Honourable R J Wallace

The following Honourable Member was absent from the Chamber:

The Honourable I Abecasis

The amendment was accordingly defeated and Clause 6 stood part of the Bill.

# CLAUSE 7

HON ATTORNEY GENERAL

Sir, I beg to move the amendment which stands in my name for this Clause, which is, to add to this Clause on page 23, the following sub-clause.

"(3) Notwithstanding any provision in the Principal Ordinance, any member of the public may during normal working hours, on payment of a fee of £1, inspect the register at the office of the secretary."

Sir, in proposing this amendment, I would ask you leave, if I might, to anticipate briefly other amendments because I mean, this is related to them and it may be a convenient time in which to outline them.

MR SPEAKER

Most certainly, yes.

HON ATTORNEY GENERAL

In the second reading stage of this Bill, there are three mainpoints which Government has looked carefully at. The first of these, desirability of publicising decisions, the second, which is now being dealt with, the desirability of the Minister if he acts against the advice of officials disclosing that fact to the applicant, and the third is, that the Minister should not be present when a decision is reviewed. Now the Government has given careful consideration to these points and has accepted that wherever possible, there ought to be a right of appeal. By the same token, there is a distinction to be drawn between matters which are susceptible of appeal and matters which are really policy matters, and the approach that the

Government has decided to pursue. I am interested in this stage, because this clause involves the person who can solve it, it is to provide for publicity of decisions once taken and also in the case of the cancellation of a licence, to provide for a right of appeal to the Supreme Court, but I will turn to that point later. The first point, therefore, is that the Government does accept that there should be publicity of decisions once taken and therefore the first amendment which I, which I wish to propose, Mr Chairman, will have the effect of enabling members of the public who wish to do so to go to the office of the secretary of the advisory committee, the Development Aid Advisory Committee, and on payment of a nominal fee have a look at the register which contains details of the licences issued. We also have other proposals regarding publicity but this is the first of the proposals, Sir, and I beg to move accordingly.

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

HON P J ISOLA

Mr Chairman, we welcome this amendment. I think, generally, that a lot of careful note has been taken of what this side of the House said on the Bill in the second reading, and we welcome the process towards more publicity of the situation. My only regret is, that the Government did not feel itself able to support the amendment just passed, which was passed, which we considered an important part of that process. Mr Chairman, I will not speak on the other amendments that the Honourable and Learned Attorney General has referred to, until we come to them, but generally we welcome the move towards more publicity and this I think is an important step because this will enable people to check and find out who has been given, who has not been given, and so forth, a licence. We welcome the amendment.

Mr Speaker then put the question in the terms of the Honourable Attorney General's amendment which was resolved in the affirmative and Clause 7, as amended, was agreed to and stood part of the Bill.

Clauses 8 and 9 were agreed to and stood part of the Bill.

HON P J ISOLA

Mr Chairman, I beg to move the amendment standing in my name, that is, that Clause 10 (2)(a), be amended by renumbering sub-paragraph (V) as (VI) and inserting a new sub-paragraph(V) as follows: (V) "to afford new employment opportunities or career prospects in Gibraltar or", then there should really be an "or" there for number (VI).

HON P J ISOLA

Mr Chairman, the reason for proposing this amendment to the Bill, is mainly because, the question of new employment opportunities or career prospects is not specifically mentioned as one of the criteria. I think, having regard to very recent developments, and having regard to the position in Gibraltar, I think, that should be a specific criteria, and of course, I think, it possibly should have been there anyway, but now of course, with the defence review, I was looking at alternative ways of giving help to the economy. I think the question of new employment opportunities and career prospects in Gibraltar should be now a specific criteria to which due weight should be given. I do not think it is really necessary for me to say much more on the amendment. I am sure this is an amendment that Honourable Members, on both sides of the House will feel should be there specifically. I commend the amendment to the House.

Mr Speaker then put the question in the terms of the Honourable P J Isola's amendment, which read as follows:

That Clause 10 (2)(a), of the Ordinance be amended by renumbering Sub Paragraph 5, to Sub Paragraph 6, in Roman figures, and inserting a new sub paragraph 5, in Roman figures, as follows: "to add new employment opportunities for career prospects in Gibraltar, or" and then you will have the new Sub Paragraph (VI).

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, Sir, the Government understands the reasons why the Honourable mover has moved this amendment. However, it feels that the provision of this criteria is adequately covered in Sub Section 2 (a), small five, otherwise to improve materially the economic or financial infrastructure of Gibraltar". I think, that Honourable Members will remember that in my second reading speech, when introducing this Bill, I gave an indication of the type of information which

the Government had in mind and would be required in regulations to be published under the Ordinance when it was enacted. One of these was, the employment effects of the project after completion, that is, number of employees, broad details of appointments, and projected wage bills for the first three years of the operation. In other words, whilst, Government had not spelt out under the criteria the employment effects of a project, these will be very much in the mind of the advisory committee and of the Minister when considering a Development Aid Application, and for that reason, the Government did not consider that the amendment was necessary. However, if the Honourable mover wishes to press for the amendment, it would accept it. If we were to accept it, we would like to make a minor amendment, and that is to substitute for the words "in Gibraltar" the words "for the economic benefit of Gibraltar", because it could be that a project which provided for new employment opportunities or career prospects . . . .

MR SPEAKER

If you would like to stop there, and ask the Honourable Mr Peter Isola, whether that would be taken as a consequential amendment and perhaps a typographical amendment.

HON CHIEF MINISTER

Perhaps, the Honourable Member can explain the reasons why he wanted this amendment?

MR SPEAKER

Oh, I beg your pardon. All I am saying is, if it is agreeable, we would not have to have an amendment to an amendment. That is all I am saying, where the words end and "of" can be, substituted as corrected. Are you in favour of this?

HON P J ISOLA

I am not in favour of the proposed amendment, and I will explain that . . . .

MR SPEAKER

Not of the amendment, but of substituting the word "in" for "of".

HON P J ISOLA

Sorry, for "of".

MR SPEAKER

Instead of "in Gibraltar", "of Gibraltar", "for the career prospects of Gibraltar". Is that right?

HON FINANCIAL AND DEVELOPMENT SECRETARY

No.

MR SPEAKER

I beg your pardon, I beg your pardon.

HON FINANCIAL AND DEVELOPMENT SECRETARY

It is the words "or career prospects in Gibraltar", whether those are necessary in view of the fact that the project shall be one which is for the economic benefit of Gibraltar.

MR SPEAKER

Oh, I beg your pardon.

HON FINANCIAL AND DEVELOPMENT SECRETARY

It is merely the deletion of the words "in Gibraltar".

HON P J ISOLA

Well, Mr Chairman, the reason why I put "in Gibraltar" is because Gibraltar appears in every sub-paragraph. The other point I would like to make is, that the question of economic benefit of course, appears in sub-paragraph (b). What I would like to say on this, on the reason why I do press for this amendment is because, sub-paragraph 5, talks of improving materially. The Government will have to now think again on aspects of this Development Aid Bill, because the reason why I think it should be in it is because we should not miss the opportunity of any scheme that brings new employment, even though it might not

materially improve the economic infra structure of Gibraltar. We may have to look at the development in Gibraltar where lots of little units, or lots of little developments are encouraged to help the home. That is why I am pressing on it, and the reason why I say the Government may have to look in the light of new development, into the Development Aid Bill, in the question of sizes of projects, the amounts which we welcomed and we agreed to before. I think the Government may well wish to have a further think on the amounts involved having regard to the need to encourage now, rather more diversification now, than perhaps was thought necessary when the Bill was drafted. Decisions have not yet been made on a number of them, but in view of recent developments, the Government may have to look at the whole Development Aid Ordinance again. I am not saying that it is an urgent matter at all, but it may have to, and that is why I think this particular clause should go in because it should be a specific criteria. Somebody should be able to argue what I am going to set up is very small industry, it will bring new employment prospects and career, if it is for a small number of people, might not materially affect the economic and financial infra structure in Gibraltar, but help the general picture of encouragement of diversification. So, I would press the amendment.

#### HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, Sir, in the light of the further explanation made by the Honourable mover, as a Government Member, I accept the amendment.

Mr Speaker then put the question in the terms of the Honourable P J Isola's amendment which was resolved in the affirmative and Clause 10, as amended, was agreed to and stood part of the Bill.

Clauses 11 to 13 were agreed to and stood part of the Bill.

#### CLAUSE 14

#### HON ATTORNEY GENERAL

Sir, I beg to move the amendment which stands in my name which is to insert in paragraph (b) of this sub clause on page 26 before the words "no account shall be taken" the words "account may be taken of the cost of reclaiming land for the purpose of the project, but, except in such a case".

Sir, after this Bill has received a second reading, and whilst further consideration was being given to the scheme of the Bill, the point was made, that, whereas land which is natural land and which already in existence, ought not to be allowed to qualify as capital expenditure under a development project, which is the case at the moment, reclaimed land was in a different position. If a person has, in part of the project, reclaimed land, the point was put forward that that should surely be able to qualify as capital expenditure and the Government felt that this point was a point which was well taken, and accordingly the amendment would provide accordingly.

Mr Speaker then put the question in the terms of the Honourable Attorney General's amendment which was resolved in the affirmative and Clause 14, as amended, was agreed to and stood part of the Bill.

Clause 15 was agreed to and stood part of the Bill.

#### CLAUSE 16

#### HON ATTORNEY GENERAL

Sir, I beg to move the amendment which stands in my name, which is to add to this Clause on page 30 the following sub clause.

#### MR SPEAKER

Perhaps you can move the two amendments as one. There are two amendments that you have given in, it could all be one now.

#### HON ATTORNEY GENERAL

Thank you. If I could move in respect of Clause 16 to add to this Clause on page 30 the following sub clause four. May I start again, Sir?

#### MR SPEAKER

Most certainly.

HON ATTORNEY GENERAL

Sir, I beg to move in relation to Clause 15, Sub Clause 2 on page 29, that the word "reasonably" be omitted, and in Sub Clause 4, in the same Sub Clause Sir, I beg to move the following sub clause to be added: "(4) Where the Minister cancels a licence under Sub-Section (1), the licensee may within 21 days after being informed of the cancellation appeal against the decision of the Minister to the Supreme Court, and on hearing the appeal, the court may confirm or reverse the decision of the Minister."

Speaking to the first proposal, Sir, this is a very minor drafting point, but, the point has been made that, as the requirement of the sub clause is that notice of cancellation should give sufficient particularity of the grounds on which cancellation is to be made, the additional word "reasonably" is strictly superfluous, and therefore may cause some problems of interpretation, I think, therefore, the point is well taken Sir, accordingly after Thursday's amendment.

The more substantive amendment is the proposal to insert in the new sub clause 4, and as I mentioned earlier, one point which the Government feels should be met in relation to this Bill, is that so far as the cancellation of the licence is concerned, which involves as I said, the cancellation of an established right, or an established confinement, and also involves grounds which are essentially grounds of facts. The Government feels that there could and indeed there ought to be a right of appeal to the Courts, because it is not a question of a policy decision, it is a question of interpreting the facts and protecting rights. The appropriate court would be, the Supreme Court, because, this Bill is expressed to be read as part of the Income Tax Ordinance, and the Appellate Court, under the Income Tax Ordinance, would be the Supreme Court. The amendments provide the right of appeal from a decision to cancel a licence, to the Supreme Court. As drafted, the amendments simply proposes that the court may confer, confirm or reverse the decision of the Minister. There is another amendment, but I prefer to reserve my comments until the amendment is actually made. Sir, I move this accordingly.

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

HON P J ISOLA

Mr Chairman, as regards the first amendment, what is I think a drafting amendment, well, that is accepted. The other

amendment of course, I am glad to see that that one has been brought. You will recall Mr Chairman, that during second Reading of this Bill, we were very concerned on this side of the House that there should be some right of appeal to the Court rather than to Ministers, in a situation where it is the Minister who is refusing or giving a licence. However, we also took note of the problems facing a decision to give a right of appeal direct to the Court in every case where a licence is refused, licence is cancelled, and so forth. In fact, I had myself, prepared an amendment to give the right of appeal just in this case, where there was a cancellation of a licence and when I compared notes with the Honourable the Attorney General yesterday, I discovered that he was proposing a similar amendment, so that there was no need for me to propose that amendment.

There is however, two points I would make on this. We welcome that there is to be a right of appeal to the Court on the cancellation of a licence, and we recognise that it is not possible to give a right of appeal to the Court in the question of a refusal to grant a licence initially. I have got an amendment standing to my name, which deals with that particular point of review by Ministers of a decision to refuse a licence and I will speak to that when I get to it. As far as this particular amendment is concerned, Mr Chairman, I thought of an amendment to move to that amendment and which I would like the House to consider at the same time. I did give the Honourable and Learned Attorney General a copy of it. The amendment, Mr Speaker, seeks to give the Court the power, not only to confirm or reverse, but also to vary the decision subject to conditions. The reason why I put that is that it seems to me that if a Minister has said no, or rather if a Minister has cancelled a Development Aid Licence, it will obviously have been because the applicant or the person who has got the licence has not complied with the conditions of the licence, and that is the reason for the cancellation. If it goes on appeal and the Court finds that that is the case, then I can not see how the Court can reverse a decision of a Minister, and what the Court ought to be able to do is to say, alright, you have been in breach, I find you have been in breach of the conditions of the licence, but provided you comply with them or comply within a month, the decision is reversed. I propose an amendment of deleting the words, in the Honourable and Learned Attorney General's amendment, "the court may confirm or reverse a decision of the Minister" and substituting "the court may confirm, vary or reverse, subject to such conditions that the court may determine the decision of the Minister", I think this will give the court a little more discretion in the matter, than what the amendment would appear to give it. I commend that.

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

HON CHIEF MINISTER

There is just one point on drafting before the merits of the amendment is considered. I think that the word "decision of the Minister" coming immediately after "reverse" is rather desjunctive. I think it should read, if it has to go, "the court may confirm, vary or reverse the decision of the Minister subject to such conditions as the Court may determine."

MR SPEAKER

That is an incidental, I think.

HON CHIEF MINISTER

Yes Sir, just a matter of drafting actually.

MR SPEAKER

That will be put after the word "reverse".

HON CHIEF MINISTER

That is right, the last four words.

MR SPEAKER

Yes, we will take it as proposed as it now reads, which is as follows, it will be further amended by the deletion of all the words, after the words "the appeal" in the first lines thereof and the substitution of the following words "the court may confirm, vary or reverse the decision of the Minister subject to such conditions as the court may determine".

HON ATTORNEY GENERAL

Mr Chairman, I do not really have any strong views on the amendment that is being proposed, but I would like to say that, when it came to the preparation of this Clause, we gave consideration, not to the effecting of conditions but to the question of the variation. The question giving the Supreme Court the power to remit a decision taken through the Minister for further consideration and a power to vary an appeal and a power to remit back on appeal, are of course

not uncommon. I think a power to confirm or reverse on conditions is perhaps a little more unusual but I do not have any difficulty in principle with it. The only point I would like to make as to why we did not put some other provision than what my amendment has, is this point. I think one can take a harder or a softer approach towards the scheme of the statute, if you grant a licence you must comply with the conditions, and if you do not comply with the conditions, then the Minister may have to cancel the licence. I myself have not till now viewed the right of appeal as being an appeal against whether the Minister was right or wrong in saying that the licence should be cancelled, and if this approach was correct, then I may say that I myself, do not really think that the Supreme Court need go beyond that saying either we agree with the Minister or we disagree. I think for the Supreme Court to go further and say we neither agree nor we disagree, but we would like this to be done, is really slightly widening the context of the appeal, however, I have no strong views on the matter.

HON CHIEF MINISTER

Mr Speaker, we all feel terribly strongly on this. Normally the court can take a wider view and as the matter may be a question of time limits, it could come up and say, right, you have had your licence cancelled because you have been negligent in carrying it out, but, I will give you a last chance. If you do not do it within 21 days, the Minister's cancellation will be confirmed. If you give a right of appeal to a Judicial body, one does not really worry very much whether they have a little more power or little less power.

HON P J ISOLA

Mr Chairman, I would agree with that completely. I was thinking, when you get, for example, in leases, you get the right to forfeit if somebody does not comply with conditions to pay rent, and so the Court always has the discretion to relieve against forfeiture, and, I was thinking along the same sort of lines here, precisely on the lines of the Honourable and Learned Chief Minister who has just been discussing this, so I would prefer to see it in, and I think that would help matters considerably, and I think it would take away any sense possibly of injustice.

Mr Speaker then put the question in the terms of the Honourable P J Isola's amendment which was resolved in the affirmative and Clause 16, as amended, was agreed to and

stood part of the Bill.

#### CLAUSE 17

HON ATTORNEY GENERAL

Sir, I beg to move the amendment which stands in my name to this Clause. The first amendment is a correction of a numerical error, the reference should be to Clause 13 not to Clause 12. The second amendment which is more substantial is consequential on the introduction of a right to appeal to the Supreme Court once a right of appeal has been established with the Supreme Court on grounds of cancellation of a licence. The proposed amendment is therefore to delete that part of Clause 17.

MR SPEAKER

I will propose the question, which is that Clause 17, be amended in paragraph(c) of sub-clause (i) on page 30 to omit the figures "12" and substitute the figures "13" and to omit the expression ";or" and substitute a dash, and furthermore to omit paragraph (d) of sub-clause (1) as it appears on page 30.

Mr Speaker put the question in the terms of the Attorney-General's amendments which was resolved in the affirmative and Clause 17, as amended, was agreed to and stood part of the Bill.

#### NEW CLAUSE 18

MR SPEAKER

Before you start on that one, may I suggest that you take it by stages. The first stage is the addition of a new Clause 18, and then we will add the next Clause as you want to do and then we will renumber.

HON ATTORNEY GENERAL

Thank you Sir. I beg to move the amendment to insert a new Clause 18 which stands in my name. Sir, as I previously mentioned, one of the points the Government does accept as a result of the discussion on the Second Reading debate, is that there should be due publicity of the process of granting, amending or in cancelling licences and accord-

ingly the effect of the amendment I am proposing, Sir, is that wherever the Minister grants a licence or amends a licence or cancels a licence, then the Secretary to the Development Aid Advisory Committee would be obliged to publish notice of the decision in the Gazette. The notice will be brief but it will specify the identity of the licensee, the date of the decision and a brief description of the effect of the decision. A further point is that failure to comply with the requirement would not invalidate the decision, the requirement is purely directory, but it would mean that not only will the public have access to the register to see what licences have been issued but if they care to read the Gazette they will be able to see in there, too, what is happening. Perhaps, I should add, that I have not included in this amendment provision for a decision of the court to be publicised in the Gazette, I do not think it is really appropriate as decisions of the court are, in any event, matters of public record.

MR SPEAKER

Now, I will now propose a question, which is that a new Clause be added to the Bill, to be known as Clause 18, in the terms shown in the notice of the amendment circulated by the Honourable the Attorney General. I will, when I put the question, read the full section but I am not going to read it twice.

HON P J ISOLA

Mr Chairman, we welcome this Clause under which decisions will be published in the Gazette where they are, whether it is a cancellation or the granting of a licence so that anybody who is interested can then go to the register and inspect. We welcome this amendment.

MR SPEAKER

I will then put the question which is, that a new Clause be added to the Bill to be known as Clause 18, and the title will be Publication of Decisions, and it will read as follows: "18 (1) Where - (a) the Minister grants a licence under Section 10 (1); or (b) the Minister amends any term or condition of a licence under Section 13; or (c) the Minister cancels a licence under Section 16 (1) - the Secretary shall cause notice of the decision to be published in the Gazette. Sub Clause 2: Every notice under subsection (1) shall specify - (a) the number assigned to the licence in the register; (b) the name and address of the

licences; and (c) the date of the decision - and shall briefly describe the effect of the decision. Sub Clause (3). In this section, references to a decision by the Minister to grant or amend a licence include references to a decision by the Governor under Section 17 to grant or amend a licence. Sub-Clause (4) A failure to comply with this section shall not invalidate a decision.

The question was resolved in the affirmative and New Clause 18 was agreed to and stood part of the Bill.

#### NEW CLAUSE 19

##### HON ATTORNEY GENERAL

Sir, I beg to move the amendment standing in my name for the insertion of a new Clause 19. Sir, under the provisions of the present Ordinance, as a matter of law, a licensee becomes entitled to the benefit which flow from the granting of a licence after he has complied with the conditions of the licence, so in other words if it is a three-year project, the conditions of the licence are that he erects the hotel within three years, as a matter of strict law he becomes entitled to the benefit at the end of that three years but in fact, he may be drawing profits in the meantime, especially if it is a staged or phased project, and the question arises, if he is drawing profits, should he have to pay tax on those profits when he may be very well complying with all the conditions of the licence and at the end of the day have successfully done so. I think what is needed in the Bill is the machinery provision to make it quite clear that the Commissioner of Income Tax, while he should have power to require details of income to be provided, can nevertheless say; "I will not assess you until the time for carrying out the conditions of your licence has been complied with". I think this is a machinery point essentially, but it is a small gap in the present legislation and the effect of this amendment is to overcome that. Sir, I commend the amendment.

##### MR SPEAKER

I will then propose a question which is that a new Clause be added to the Bill which will be known as Clause 19, reading as follows: "Power of Commissioner of Income Tax to defer

"Power of Commissioner of Income Tax to defer assessment.

19. For the purposes of Section 14 and 15, in respect of any income which by virtue of either of those sections will not be liable to income tax if the licence is

complied with, the Commissioner of Income Tax may defer any assessment of any person for income tax until the time allowed by the licence for compliance with the conditions of the licence has expired".

Mr Speaker then put the question in the terms of the Honourable Attorney General's amendment which was resolved in the affirmative and New Clause 19 was agreed to and stood part of the Bill.

##### HON ATTORNEY-GENERAL

Sir, I beg to move that in consequence of the insertion of new Clauses 18 and 19, that the existing previous Clauses 18 to 21 be renumbered 20 to 23.

Mr Speaker put the question in the terms of the above amendment which was resolved in the affirmative and the clauses were accordingly renumbered.

##### HON P J ISOLA

I move that Clause 20 (e) (old Clause 18) be amended by the addition of the following words after the words "Section 17"; "including provision for the applicant to be heard at the time of review either personally or by his solicitor". Mr Chairman, the problem, of which have we talked a lot in the Second Reading, is the question of an applicant who feels he has been hard done by, by not granting a licence or whatever, of the right of appeal and we discussed in the Second Reading and we thought there should be a court and so forth. We have been considering this and we appreciate that it is difficult to appeal to the court in respect of this sort of application and refusal and therefore we came to the conclusion, the same conclusion, in fact, as the Government, that there should be an appeal to the court in respect of cancellation of licences but in respect of reviewing of licences of refusal to grant a licence or the conditions of a licence or whatever, that it should go to the Governor. I think the Governor in this case is the Council of Ministers. Mr Chairman, I think, certainly in my experience, there has always been a feeling that if you appeal you will never succeed because it goes to the same people and they will back up the Minister. This is the feeling one gets and in fact most appeals do not seem to succeed. We think that the person who applies for a licence goes in front of a Minister and his advisory Committee and he asks and they argue and they discuss and the Minister at the end of the day says; "No, we refuse to

grant you a licence", then he says I want it reviewed. Normally, it would be done by just sending a letter in. We think it would not harm the position of anybody if the applicant at the time of review, and I am stressing here that it is not a question of the applicant being present throughout during the discussion, at the time of the review the applicant should be able to put his case to the Governor, or in this case to the Council of Ministers, personally or through a solicitor, put his arguments, let them hear him, then of course they would go, and the amendment here suggests that in prescribing the procedure to be followed on applications for review under Section 17, the Governor can make rules including provision for the applicant to be heard at the time of review either personally or by his solicitor and in this way the Governor might wish to make rules which would enable somebody to go to the reviewing body which I believe here would be the Council of Ministers, and plead his case personally or through his solicitor. I accept that in suggesting this amendment it would not be unreasonable to suggest that in other cases of appeals similar procedures should be followed as well, but I see no harm in that, Mr Chairman, I see no harm in that, and I think it would take away a lot of sense of possible injustice in applicants because they have been heard quietly and patiently by the reviewing body or the appellate body of the Government, whoever it may be, he has been able to put his case forward, argue it, it is always much better a personal appearance, argue it, and then he goes, and then the Government, or the Governor, or the Council of Ministers, or Gibraltar Council, whoever it may be, decide the matter. I think there is a case for making the distinction between this Ordinance and other Ordinances on questions of appeal but, generally, I would have thought that it might be a good idea, generally, in appeals to the Governor, to allow the appellant to put his case personally or through his lawyer. Mr Chairman, however, here I am merely moving this amendment which would enable rules to be made to allow the applicant to be heard at the time of review personally or by his solicitor. We attach great importance to this matter as indeed, to all the other amendments but we attach a lot of importance to that and I hope the Government can agree this amendment.

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

HON CHIEF MINISTER

Mr Speaker, I will not deal with the merits of the amendment, that will be dealt with by other colleagues, but I will

certainly take up the Honourable Leader of the Opposition on one or two points he made at the beginning. It is not the fact, certainly not in my experience in many, many years, that written appeals are just rejected because they are sent back to the same people, it is by practical experience over the years, both in the Council of Ministers and in Gibraltar Council, that applications, and I have no doubt the same is the case in the Development and Planning Commission, that applications are made certainly in Council of Ministers and Gibraltar Council and then appealed again and reviewed. I would go further, certainly there are cases in Council of Ministers where a decision has been taken, particularly in the granting of a Development Aid Licence and has been refused and further, as representations have been made, other aspects of the matter have been brought to the notice that perhaps the original application did not deal with properly, and the Council of Ministers has looked at it and reversed their previous decision because new facts have been added. I can think of quite a number of cases in which this has happened. Therefore the Council of Ministers look at this not on the basis of supporting previous decisions taken either by officials or by other Ministers, but on the merits. Let me say that in Gibraltar Council, without revealing what goes on in Gibraltar Council, these matters are looked at in the most meticulous way and even in matters which are the responsibility of the Governor he says; "I will take the advice and I will go through the whole thing, I will not take action on my own that affects people". So that aspect of the matter, really, has no strength apart from the fact that I think it would most be most unwise that Council of Ministers should sit in judgement and hear applications and arguments and having to preside over arguments that may be adduced some of which may be valid, others which may not be valid. We do not like the amendment.

HON A J CANEPA

I was wondering, Mr Speaker, if the Honourable the Leader of the Opposition can cite one example where members of the public appear before the Cabinet. Can he himself from his years of office in Council of Ministers cite an example? I certainly can not remember in nine years that I have been, any occasion where an applicant or his solicitor has appeared before the Council of Ministers. I do not think that this is the practice at all, anywhere.

HON P J ISOLA

Mr Chairman, I do not think it is the practice for the Cabinet in England to hear appeals.

HON CHIEF MINISTER

You appeal to the Cabinet on anything.

HON P J ISOLA

No.

HON CHIEF MINISTER

Of course you can. By written representation you can appeal to the Prime Minister, what she does is her business.

HON P J ISOLA

Mr Chairman, what I was saying is that in all statutes in England any appeals there are, are appeals to the Minister, to the Secretary of State, not to the Cabinet. You can write a letter to the Prime Minister, yes of course, everybody can, but I am talking of legislation which says you can appeal to the Governor and it is not to the Governor you are appealing at all, the Governor has nothing to do with it. The Governor is the Constitutional Head, like appealing to the Queen, but it is not the Governor, it is the Council of Ministers who decides, or Gibraltar Council who decides and the Governor is just a figurehead there. That is the point I am making. I cannot cite an example as asked for by the Minister because as I understand it, I cannot think of a single law in England that gives you an appeal to the Cabinet but all the laws here gives you appeals to, as I said, Council of Ministers or Gibraltar Council.

HON ATTORNEY-GENERAL

There is little I can add, really. I support the view that the amendment should not be made in this way. I think I can only stress that this is a policy review we are talking about. Perhaps in England it may not be the rule for matters to go to the Cabinet but certainly there are countries in which policy reviews are, I will avoid using the expression "an appeal" but policy reviews, especially policy reviews, do go to Council of Ministers or its equivalent and while I cannot speak exhaustively, those cases of which I am aware are cases in which the party, the individual, who is not permitted to, or certainly not as of right, permitted to appear before the Council. I think myself, Sir, that the Bill given that this is a policy review we are talking about all the time, I think the Bill must go some distance towards first of all securing the independence of the public servants in the earlier provisions which were dealt with and, secondly, in providing a right to seek a review to an aggrieved applicant and he is entitled to put his views forward, he is entitled to put them forward formally in writing, but I really do, with respect, think that it would not be appropriate for an applicant on a policy review to be appearing in person before the Council of Ministers.

HON P J ISOLA

Mr Chairman, I do not think the arguments that have been adduced are valid. The Honourable and Learned Attorney-General talks of a policy review, it is not really a policy review, it is John Smith who has applied for a Development Aid Licence in respect of a project and John Snooks also applies for the licence in respect of a project with slight differentiation, the Minister gives it to John Snooks and does not give it to John Smith and John Smith asks for a review, what he is really appealing against is the decision of the Minister that he has not been given a Development Aid Licence, that is basically the problem in Development Aid as I understand it and as I know it is. The Honourable and Learned Chief Minister says that we are not going to have Council of Ministers sitting there in judgement but that is exactly what Council of Ministers is going to do under the law, sit in judgment.

HON CHIEF MINISTER

I am sure that the Honourable Leader of the Opposition is misquoting my words. I meant as a Court of Justice listening to arguments instead of being an administrative body looking at documents and so on, that is all I said.

HON P J ISOLA

Yes, I accept that, not as a court of justice but it is sitting in judgement on that applicant and on his application so it is doing it. I find it difficult to see why the Government does not allow somebody to appear before Council. Is it that they are too busy and that it is not important enough? Why do they not allow a person to go there and say what he has to say? I do not understand this and, of course, we must press our amendment. All I am asking is that a person should be able to go to the Council of Ministers and put his case, that is the amendment we are asking for. Unfortunately, Council of Ministers is sitting in judgement on a Minister's decision, on a decision of a colleague, that is a fact. A colleague has said no to John Snooks in his application for a Development Aid Licence. In England, or somewhere else this would be done but in a totally different way, there might be an administrative tribunal, and the tendency and I am sure the Honourable and Learned Attorney General would agree with me, the tendency throughout in quasi administrative decisions, the tendency has been to have appeal courts, administrative tribunals. The tendency in the exercise of Ministers' discretion in England in recent years has been to take him to the courts,

there are prominent examples of this in education and in other spheres of public activities and people have been able to be heard. What is the objection the Council of Ministers refusing an applicant to go before them and put his case? What is the impression that this must give people, generally, in Gibraltar? The Honourable Members opposite laugh.

HON CHIEF MINISTER

It is rubbish.

HON P J ISOLA

It is not rubbish, Mr Chairman, as quite a number of people could testify, it is not rubbish, and we think that it is a move in the right direction where appeals are taking place against ministerial descretion, it is a move in the right direction to allow a person or his lawyer to go in front of Council of Ministers, or whoever the review body is, and put his case personally and then go and then they can do what they like. We hope the Government can reconsider its decision in refusing people to come and put the case to them in the same way they have been allowed to put it to the Minister, to put it to them for review, because that is the process of review. If I had the right to tell the Minister why can I not tell you who are reviewing the decision of the Minister? I commend the amendment.

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

The Honourable A J Haynes  
The Honourable P J Isola  
The Honourable A T Lodd  
The Honourable Major R J Peliza  
The Honourable G T Restano  
The Honourable W T Scott

The following Honourable Members voted against:

The Honourable A J Caneps  
The Honourable Major F J Dellipiani  
The Honourable M K Featherstone  
The Honourable Sir Joshua Hassan  
The Honourable J B Perez  
The Honourable Dr R G Valarino  
The Honourable H J Zammit

The Honourable D Bull  
The Honourable R J Wallace

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis  
The Honourable J Bossano

The amendment was accordingly defeated.

HON ATTORNEY GENERAL

Sir, I beg to move the amendment which stands in my name, to amend Clause 20, as so renumbered, by adding as sub-clause 2 on page 31, the following new sub-clause:

"(2) the Chief Justice may from time to time make rules prescribing the procedure to be followed on appeals under Section 16 (4)".

Sir, this is entirely consequential on the amendment to give a right of appeal against the cancellation of a licence to the Supreme Court. Once that right of appeal has been conferred it is desirable, it is not necessary, to give the Chief Justice power to make rules accordingly governing appeals. Sir, I commend the amendment.

Mr Speaker put the question in the terms of the Honourable Attorney General's amendment which was resolved in the affirmative and Clause 20 (Old Clause 18), as amended, was agreed to and stood part of the Bill.

Clause 21 (Old Clause 19) was agreed to and stood part of the Bill.

CLAUSE 22 (Old Clause 20)

HON ATTORNEY GENERAL

I beg to move that Clause 22 (Old Clause 20) be amended by the insertion of sub-clause (1) after the figures "19", the expression "(2)". Sir, this is a very minor drafting point to make it quite clear which provision is being referred to.

Mr Speaker put the question in the terms of the Honourable Attorney General's amendment which was resolved in the affirmative and Clause 20 (Old Clause 18), as amended, was agreed to and stood part of the Bill.

Clause 23 (Old Clause 21) was agreed to and stood part of the Bill.

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

The Committee recessed at 10.25 a.m.

The Committee resumed at 11.00 a.m.

#### THE TOWN PLANNING (AMENDMENT) BILL, 1981

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

#### CLAUSE 7

HON ATTORNEY GENERAL

Mr Chairman, I beg to move the amendment which stands in my name, I trust you will accept the handwritten amendment, I would have had it typed had I had time. If I may read of it, because my writing is distinguished for its illegibility. That Clause 7 be amended by the addition to the new Section 27 of the following sub-section:

- "(4) Notwithstanding sub-section (3), the Court may, if it thinks fit, on the application of the appellant, suspend the stoppage order pending the determination of the appeal."

Sir, in the Second Reading debate, the point was made by the Honourable and Learned Leader of the Opposition, that hardship could be caused to an individual against whom a stoppage order was served, if the order was binding in its effect, pending the termination of an appeal which might go on for some time and while, as I indicated yesterday, I do not quite agree with the emphasis that was placed on the approach towards appeals, I do think the point basically is

a sound point and the effect of this amendment is really, first, to preserve the presumption that what has been done thus far in the proceedings i.e. the issue of a stoppage order, has been done in accordance with due authority but, secondly, to provide the option to the appellant if he feels that his case is one of hardship or may be one of hardship, to go to the court on what would amount to an interlocutory application and to say to the court: "In this case, this will cause me hardship. If the stoppage order remains in effect pending the appeal, I ask you to suspend the effect of the stoppage order pending the appeal. That is the effect of the amendment, Sir. Of course, it will be open to the Crown to oppose the application but nevertheless the amendment would provide machinery to enable this to be done. Sir, I commend the amendment.

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

HON P J ISOLA

Mr Chairman, we fully agree with this amendment. This amendment meets fully all our objections to that Clause and we support it completely because it does give a person who feels there may be hardship as a result of a stoppage order, applying to the court and the court will then act on well known principles in the matter. We warmly welcome this amendment to this Clause.

Mr Speaker put the question which was resolved in the affirmative and Clause 7, as amended, was agreed to and stood part of the Bill.

Clause 8 was agreed to and stood part of the Bill.

#### CLAUSE 9

HON P J ISOLA

On Clause 9, Mr Speaker. I will not repeat all the arguments I put forward yesterday against the Clause. We do feel strongly that it is against normal procedures in respect of what are necessarily minor offences to allow a Surveyor and Planning Secretary to bring prosecutions any time he likes whether it is one year after, two years after or three years after the offence has been committed. We see no reason why there should be a departure from the normal principle in offences of this nature, that a prosecution must

be brought within six months of the offence or within six months of the time that notice of an offence having been committed or it comes to the knowledge of the person who wants to prosecute within six months of that day, is plenty of time for even a lethargic Government Department to make up its mind whether it wishes to prosecute or not. This amendment is totally unnecessary and will only encourage more lethargy in a department that is known for this. Mr Speaker, we propose to oppose this Clause.

#### HON ATTORNEY GENERAL

Mr Speaker, I do not think I can add much to what I said yesterday, except to reiterate that I would like to see this amendment. I do not think that the procedure rule that summary proceedings can only be brought within six months of being detected, as it were, really raises a vital matter of principle. I do think, even though these are summary proceedings, I do think that the consequences of proceedings under the Town Planning Ordinance can be rather more far reaching than perhaps a breach of the peace or common assault. The only other point I would like to revert to because in fact this proposal came from myself, and I had not anticipated and I would like to say this, that this is not just a question of the Surveyor and Planning Secretary's office, this provision in fact is a provision really for the prosecutor's benefit and I think the emphasis that has been given to the reasons why we need this extension, perhaps do not really accord with the reasons that were in my mind when I proposed the extension. I saw it as a convenience from a prosecutor's point of view not from the point of view of an administrative Department but however, I do not wish to say any more on the point.

#### HON P J ISOLA

Mr Chairman, if it is from the prosecutor's point of view, I can see no problem because the prosecutor has to deal with this sort of problem every day in all the other Ordinances. If we are going to accept the argument that the Honourable and Learned Attorney-General we might as well do away with the time limit for prosecutions in every Ordinance in our Statute Book. Certainly, this is worse still, if we are doing this for the convenience of the prosecutor's department that is worse still because I think the prosecutor's department should make sure that decisions are made within the period of six months and I would remind the Honourable and Learned Attorney-General that this does not deprive the Planning Authorities or the Law Officers from taking civil action by injunction or any other way.

They have got either remedy. We are talking here of a time limit for summary offences so I would ask the Honourable and Learned Attorney-General since it is his idea to think again.

#### HON ATTORNEY GENERAL

Sir, I can really only say this comes down to a question of, I suppose, a feeling on a matter of judgement. I realise what the Honourable and Learned Leader of the Opposition is saying, it is not my intention to propose a process of creeping elimination of procedural rights, in summary matters but I do feel on balance and I stick to my views that in this case it would be useful not to have this restriction.

#### HON J BOSSANO

I would like to say that I do not think the Honourable and Learned Attorney-General has in fact produced an argument that defeats the point made by the Leader of the Opposition and therefore I support the views that he has expressed. I think that if it is considered necessary to have a time limit within which the Government has got to make up its mind whether to prosecute or not to prosecute, and that if the time limit is tied not to when the offence is committed but when the Government becomes aware of the offence, I think it is only right if six months is not enough then make it a year but I do not see why there should be a potential threat of a prosecution for evermore particularly in a situation like Gibraltar where we have changes of Attorney-Generals every three years and different interpretations every three years which we have experienced in this House, we might find the prosecution not taking place with one Attorney-General because he thinks the case is not very strong. It is not unknown in this House of Assembly to get advice from Attorneys-General of what is right or not right and then different advice from his successor. There is nothing wrong with that happening or strange that it should because there is an element of personal judgement in a situation like that, it is bound to happen but I think if there is a door open for the Government to prosecute at any time, however long it is since the infringement took place, I think it is certainly an attack on fundamental rights which I must say at the same time I do not agree with the Honourable and Learned Member that that is a move towards communism, nor do I think the Honourable Attorney-General is a red under the bed, far from it. So although I do not support that part of his argument, I do support the main point that he made.

HON ATTORNEY-GENERAL

May I just make two points. In fact, even though the powers to prosecute is an ongoing power and even though one Attorney-General may take a decision not to prosecute, theoretically his successor can say: "Hang on a moment. I think I will prosecute in this case". In fact, I can say this with absolute confidence that even though it is a matter of practice and not a matter of law, in fact that would not happen because if a decision is taken not to prosecute one does not file the matter away and look at it later on. You, in effect, have to make up your mind are you going to prosecute or are you not. The other matter which is a matter of practice again not a matter of law, I agree, is that the longer these matters go on the least prospect in real terms there is of bringing a prosecution because people's memories fade, evidence becomes outdated. So really I do not think that the real consequence of this proposal will be that there will be a number of potential prosecutions filed away in my Chambers. I think in practical terms it simply means that we will not be bound by a strict six month rule.

HON P J ISOLA

Mr Chairman, again that surely is not, strictly speaking, correct because the amendment is being brought because there was one instance, apparently, where it took the Government much longer than six months to decide on a prosecution and the point that is being made is that people should not have these offences hanging over their heads without a decision to prosecute or not. If that would help, I would support the idea put forward by the Honourable Mr Bossano. Alright, put a time limit of twelve months, surely, that must be enough from the time that a person gets to know of an offence but do not leave it without limit where it can be got out of a drawer, not necessarily from the Attorney-General's drawer, it could be from the Surveyor and Planning Secretary's drawer, two years after the offence came to his notice, and then prosecute. That is what we are objecting to, and really the argument the Honourable and Learned Attorney-General puts forward is an argument to justify similar application of this for all other legislation in existence. It can be used to justify taking away the six months period in summary offences under other laws by a future Attorney General saying the House has accepted this principle in this particular Town Planning Ordinance. This is a matter of general principle, not a matter of legality, it is a matter of general principle. It is the view of the Chief Minister that this tendency is a

good one, it is his view? We should know that because this will be used as justifying amendments to other summary procedures because the time limit has passed. We maintain our opposition, we would agree to a longer time if this is felt necessary but let us have an end to litigation on the criminal side where it should have an end, in this sort of legislation, this sort of summary offence, especially bearing in mind that there is still a civil remedy to the authorities at any time or within six years, I think there is a time limit there as well.

HON CHIEF MINISTER

Let me say that it is not the view of the Chief Minister or of the Government that this should be a tendency nor is it the view of the Attorney-General as he has himself said. It could well be that some of these offences may not be discovered for some time and therefore we are taking the advice but we are quite relaxed about this matter, we do not think that this is a matter in which it is going to be a tendency, it has cropped up in this amendment and that is all.

HON P J ISOLA

Mr Chairman, from the remarks he has made I do not think the Chief Minister is quite clear of the position. He has talked maybe the offences are not discovered for some time, well, according to the limitation it is six months from the time of discovery not from the time of commission of the offence so if an offence is committed in 1981 and the Surveyor and Planning Secretary finds out about it in 1985, he has still got six months from the date he finds out and in view of that explanation, perhaps the Honourable and Learned Chief Minister could revise his opinion.

HON MAJOR R J PELIZA

Mr Speaker, I would like to add my voice to the objection, to proceeding in this way which I think is creating an extremely serious precedent. I am surprised to hear the Chief Minister say that it is not the tendency of the Government to see this as a precedent. The Chief Minister must realise that he is not going to be there for ever, even if he has been there for thirty years now. There may be changes of Government and changes of Government will not look at it in the way he is doing now or look back at the Hansard to see what the present Government was thinking.

All they will see is that in our laws there is one already which allows for these indefinite periods and this is the danger. I think it is an extremely dangerous precedent. The Attorney-General has not made a case at all, Mr Speaker, I think the Opposition has made a very strong case. What is the problem? The problem is that the Government needs more time to prepare the case. Well, what is reasonable? Six months is not reasonable, make it nine, nine months is not reasonable, make it twelve. But why indefinitely? In practical terms the Attorney General says that this will have no consequences. How do we know that it will have no consequences? His word? We are not talking here about words, Mr Speaker, we are talking here about legislation, the law of Gibraltar as it is, and cannot depend on the opinion of a man here in this House. I strongly object and therefore I hope, Mr Speaker, the Government will accept the Honourable the Leader of the Opposition's views.

HON P J ISOLA

I would add just one small thing, Mr Speaker, I will not speak again. I would invite the Government to withdraw this Clause from consideration of the House against our agreement to vote in respect of an amendment at a later date extending the time limit to nine or twelve months.

HON CHIEF MINISTER

It is not a question of leaving it to a later date, either we do it now or we do not do it. The Attorney-General has obviously been attributed motives which were not in his mind when he proposed the amendment and I think that the best thing is to give a longer period if that was something which was exercising his mind and let us have it within a period of one year, I do not mind.

HON ATTORNEY-GENERAL

May I therefore suggest, Mr Speaker, that this Clause be left out of this Bill and I will bring a new clause to the House.

HON CHIEF MINISTER

I move that Clause 9 be deleted and that Clause 10 be re-numbered Clause 9.

Mr Speaker put the question in the terms of the Honourable the Chief Minister's amendment which was resolved in the affirmative and the amendment was accordingly passed.

Clause 9 (Old Clause 10) was agreed to and stood part of the Bill.

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

THE PUBLIC HEALTH (AMENDMENT) (NO. 2) BILL, 1981

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

CLAUSE 2

HON ATTORNEY GENERAL

Sir, I beg to move the amendment which stands in my name in relation to Sub-Clause 2 of this Clause. It is purely a grammatical matter, Sir. The amendment is that in the new definition of "speedboat" on page 39 to omit the word "craft" and substitute the word "boat".

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 G T RESTANO

Mr Chairman, on 2E, may I ask on the test of competence, who and in what form will these tests be carried out?

HON ATTORNEY-GENERAL

Sir, that will be a matter to be dealt within rules. As a matter of law it could be any specified public officer. In fact, the rules which have already been made specify the Captain of the Port, or a Port Officer authorised by him. We really are talking about two different things, this relates to the enabling power, the application of the enabling power is really a matter of detail. The

Honourable Member will see from the rules that these are not complicated.

HON G T RESTANO

Will licences be issued to those persons who have passed the test?

HON ATTORNEY-GENERAL

Again, Sir, as I say, we are really making a transition from the enabling provision to the detail but again by way of an aside, the matter is not that formal, it is merely a question of getting permission.

Clause 3 was agreed to and stood part of the Bill.

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

#### THE FIRBANKS (AMENDMENT) BILL, 1981

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

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

#### THE SUPPLEMENTARY APPROPRIATION (1980-81)(NO.2) BILL, 1981

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 (1981-82) BILL, 1981

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

#### SCHEDULE

Consolidated Fund - Schedule of Supplementary Estimates No.1 of 1981/82, Item 1, Head 18, Prison was agreed to.

Item 2, Head 25, Trading Standards and Consumer Protection.

HON G T RESTANO

May I ask, has the study been carried out or is it about to be carried out and by whom?

HON A J CANEPA

Mr Speaker, perhaps I can give a little background to this. In 1973, an inquiry was held into the profitability of the bread industry. It was carried out then by a Bakery Consultant from Spinners and an accountant from Coopers and Keyburns and their recommendations were not entirely acceptable to the Government and I think Honourable Members who were present in this House then will recall, that it was the subject of a motion moved by the Honourable Mr Bossano. Since then increases in the price of bread have been based to a certain extent on a formula that was devised under that report. Eight years have gone by and the point arises whether that formula is still a valid basis on which to examine applications for increases in the price of bread and therefore what we are thinking of doing is to have a new study that will update the situation. We are in contact with the Ministry of Overseas Development about the composition of the team that could carry out the study. The thinking of the Government is that it should be a better balanced team than it was then because on that occasion a very valid point was made by the Honourable Mr Bossano at the time, that there was no representation of consumer interests. What we are looking for is a rather better balanced team, it could be a bakery consultant, it could be the same individual who came here in 1973, if he is still available, an accountant and a representative of consumer interests, ideally, I would imagine, someone of

standing, a member of the Consumer Association in the United Kingdom of standing, such as the then Chairman who in 1974 came out to Gibraltar, Dame Elizabeth Ackroyd. We would like to see a well balanced team come out to Gibraltar again not to carry out a fresh inquiry, it would not be an inquiry, but to update that study with particular reference to the formula that we are using at the present for working out increases in the price of bread.

Item 2, Head 25 - Trading Standards and Consumer Protection, was agreed to.

Item 3, Head 26 - Treasury, was agreed to.

Schedule of Supplementary Estimates Consolidated Fund No.1 of 1981/82 was agreed to.

Improvement and Development Fund - Schedule of Supplementary Estimates No.1 of 1981/82.

Head 101 - Housing

HON W T SCOTT

On Sub-Head 3. Can I ask the Government, Mr Chairman, does this mean that this project, Phase B of Line Kilm Steps, is now complete?

HON M K FEATHERSTONE

This is money that we thought would not be required till 1982/83 and estimates now give us the impression that the work will be finished before the end of April, 1982, and, therefore it will come into this year.

HON W T SCOTT

Under Sub Head 13, might I ask the Minister what is the nature of the first phase of the remedial works in the Tower Blocks?

HON M K FEATHERSTONE

Mr Speaker, I did make a statement some little time ago on the question of the Tower Blocks. The position, just to remind the Honourable Member, is that we have made investigations into the water penetration and how this can be obviated for the future and we have got recommendations from a specialist firm in Britain who have suggested that what we should do in the initial stage is to clad six flats at the upper floor of one of the buildings as soon as possible so that a winter can pass and we can see the effect of the cladding and how, as we hope it will, it will ameliorate the position. This is the idea of the £50,000, to enable the work to be started, possibly in late August, very early September, so that the cladding will be put on before the rainy season comes and we can see its effect through the winter.

HON W T SCOTT

I am rather surprised, Mr Speaker, at the cost in so far as we are talking about six flats, costing £50,000. This is something just under £10,000 a flat. Are we to expect that, if this test is successful, are we to expect each and every flat costing that amount?

HON M K FEATHERSTONE

I would not say it will bear an absolute ratio, but we have an estimate of the total cost for the two blocks if it is successful of around £1.4m to £1.5m.

HON P J ISOLA

There are a number of revotes here. Will this affect the final statement of 1980-81?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, yes, Sir. From the figures that the Public Works Department have been able to provide to us which have yet to be checked by the Accountant General and by Audit, these were under expenditures so that the £220,000 odd pounds which we are revoting now will be deducted from the projected and the revised estimates figure for 1980/81.

HON W T SCOTT

Sub-Head 18, over the page. I notice that the sum of £11,000 is asked for to engage Quantity Surveying Consultants. Can I ask the Government if this work cannot be undertaken by local Quantity Surveyors?

HON M K FEATHERSTONE

I am not quite sure what the Honourable Member means by Local Quantity Surveyors, if he means Quantity Surveyors in the Department of Public Works it cannot, they are already fully committed, and they are not able to do this with the urgency that we would like to have it done. By local Quantity Surveyors, if he means Quantity Surveyors, available in Gibraltar, I do not think that it has gone out to tender, we have gone to a firm that we normally work with.

HON W T SCOTT

What I meant, Mr Chairman, was, in fact, Quantity Surveyors employed by the Public Works Department.

HON M K FEATHERSTONE

No, Sir, at the moment they are very fully committed. We have got a shortage at the moment of three Quantity Surveyors, three of them have left recently on termination of their contracts and we have not been able to replace them. The ones that we do have are fully committed with the work that we are dealing with at the moment.

HON W T SCOTT

I did not quite catch the Minister's answer, Mr Chairman. Did he say he had not been able to replace them?

HON M K FEATHERSTONE

We have not been able to replace them yet, no. We hope that one will be a local person who will take up employment with us fairly soon when he has finished his degree and we have already applied in the United Kingdom for two others to replace the ones that have left but we have not got them yet.

HON A J HAYNES

One further question on that Sub-Head 18, Mr Chairman. Can the Government say how many units would be involved in this development?

HON M K FEATHERSTONE

I think this will be some 12 units.

Head 101 - Housing was agreed to.

Head 102. Schools.

HON A T LODDO

On Sub-Head 4. Could the Minister say exactly what the extension will be?

HON M K FEATHERSTONE

Yes, Sir. If the Honourable Member has been down to the Bayside School he will appreciate that underneath one of the Housing Blocks there are a number of classrooms. This is not a very satisfactory arrangement and the intention is to build an extension to the School so that those classrooms which are underneath the housing blocks can be moved into the School proper and those areas which will become vacated will become housing accommodation.

Head 102 - Schools, was agreed to.

Head 104. Miscellaneous Projects

HON W T SCOTT

Mr Chairman, can we have some explanations from the Minister as to what is meant by outstanding commitments?

HON M K FEATHERSTONE

This was money that was owing to various people who had done various works for the winning of sand project. It should

have been paid last year but it was not paid last year, it is being paid this year.

HON W T SCOTT

Can I ask the Minister if one of these people, or firms or companies, that monies were owed to, do they include the consultants?

HON M X FEATHERSTONE

No, Sir, nothing has been paid to the consultants.

Head 104 - Miscellaneous Projects was agreed to.

Head 105. General Services was agreed to.

Head 106. Potable Water Service.

HON G T RESTANO

Sir, can I have some details please, on Sub Head 4, VTE Distiller - Viaduct?

HON ATTORNEY-GENERAL

Yes, Mr Speaker, this was a dispute, obviously, over the amount of post contractual claims and really the issue was whether or not an escalation of cost of the price adjustment clause applied. Last year we allowed £37,500 to meet this claim. We contested the claim in court and in the event judgement has been given for what will come to I think, about £32,000 altogether. I should make it clear, Sir, that the amount of the judgement given was the amount that the plaintiff had requested, in other words, the plaintiff won the case.

HON W T SCOTT

Mr Chairman, may I ask the Government if there is any element of extra costs involved with the claims that the supplier might have had at the time through interest and legal costs and so forth which form part of the money now requested?

HON ATTORNEY GENERAL

Mr Chairman, that is necessarily so, the judgement includes the judgement debt plus interest from the date of the judgement plus legal costs. As against that it is necessary to take into account the fact that this is a debt that goes back to 1976. The money had not been paid until now so that the interest really I think, is partly taken into account by the inflation in the value of money.

HON W T SCOTT

May I therefore ask the Government in fact for a breakdown of that £35,500.

HON FINANCIAL AND DEVELOPMENT SECRETARY

The capital was £20,986.95p and the interest £10,956.92p but I would point out, Sir, that during the period the Government had had use of that money and had itself drawn interest on it.

HON ATTORNEY-GENERAL

May I perhaps explain a little more because it is quite a significant and quite a substantial case. We thought in this case that our view was correct though we were found to be wrong in the event. We also felt that because there was a dispute over the cost price adjustment clause, we should probably put it to test in the court and that is why we went to court in the end.

Head 106 - Potable Water Service was agreed to.

Head 107. Port Development. was agreed to.

Head 110. Electricity Service. was agreed to.

Schedule of Supplementary Estimates Improvement and Development Fund No.1 of 1981/82 was agreed to.

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

Clauses 2 to 4 was 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 Development Aid Bill, 1981; Town Planning (Amendment) Bill, 1981; The Public Health (Amendment)(No.2) Bill, 1981; The Firearms (Amendment) Bill, 1981; The Supplementary Appropriation (1980/81)(No.2) Bill 1981, and the Supplementary Appropriation (1981/82) Bill, 1981, have been considered in Committee and agreed to, in the case of the Development Aid Bill 1981; The Town Planning (Amendment) Bill, 1981 and the Public Health (Amendment)(No.2) Bill, 1981, with amendments, and in the other cases without amendments, and I now move that they be read a third time and passed.

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

### PRIVATE MEMBERS' MOTIONS

#### HON MAJOR R J PELIZA

Mr Speaker, in bringing my motion to this House I would like to make quite clear that my intention is to unify and not to divide in that I think Mr Speaker, that it is most important at this stage that this should be the attitude. My motion, Mr Speaker reads: "That in view of possible redundancies in Her Majesty's Dockyard and other Defence establishments as a result of announced changes in defence spending, this House urges the Government to give more meaningful support to other industries and especially to the tourist trade by working in close cooperation with the interested representative organisations of this industry". As you can see, Mr Speaker, in the motion I therefore really make three points, one is the possible repercussions of redundancies if there are any, (2) the need to support other industries and of course especially the tourist industry which in my view is perhaps the most important of all the industries other than that of our defence industry. Mr Speaker, there is no question about it, there is considerable concern in town about the announcements that

have been made and we in this House have got to realise that is the situation. It is very much for our small economic world as if a comet had suddenly appeared in the horizon and is coming towards us, we do not know what is going to happen as it reaches us, it might hit us and destroy us, it may just pass by and nothing happens, just a little warmth here and there, a little disturbance, and then everything will be alright. We also do not know what the tail of this comet may bring, it could happen political repercussions, because all economic changes are in most cases troubled by political changes as well. In the case of Gibraltar the economic and the political side of our existence are very closely knit. Therefore one has to accept that what has suddenly occurred through the announced defence spending must, because people in Gibraltar are very articulate and very close to this situation, create in most quarters considerable concern. It is interesting that there are conflicting, conflicting deductions from what has happened. We have a statement, a very clear statement, in the House of Commons by the Minister responsible for the cuts who uses the word "indefinitely", if indefinitely there is no sufficient workload for the Dockyard, or words to that effect, then we shall have to find ways and means of sustaining the Dockyard. To me that is a very clear political statement and the connotations of the words used express that there is nothing to be extremely worried about at present but if the situation worsens then Her Majesty's Government will abide by their commitment of supporting and sustaining Gibraltar. That is what I understand from the statement particularly if one sees it next to places where they give you definite dates as to when a dockyard is going to close such as Chatham. Since no date was given to Gibraltar and the word "indefinitely" was used it gives you an idea of time, in time, we do not know when but in time. Yet we have a departmental statement in Gibraltar which is almost the opposite. The workload is coming to an end and we do not know what is going to happen. I have not had the opportunity of speaking to Admiral Pillar, I think it was a pity that he never saw a member of the Opposition while he was here so we do not know what he said but from hearsay, Mr Speaker, unfortunately, and that is the unfortunate position of the Opposition today and I think it is very wrong that Admiral Pillar should not have seen a member of the Opposition whilst he was here, anyway, from hearsay, and this is all we can go by, the report is that he painted a rather black picture and therefore, Mr Speaker, the contradiction is there. On the other hand we have the statement from the Chief Minister who went to see the Lord Privy Seal precisely, Mr Speaker, because there were some discrepancies such as, in fact, a member of a trade union saying that Spain was included in these consultations. I

am glad to say that the Chief Minister has come back with a very categorical statement saying that this has not only not taken place but will not take place which I think is reassuring in that respect. One has to accept that even this was mentioned obviously it could not have been the substance because it was not a statement and the Chief Minister made it clear that this did not take place, certainly not consultations. That I think is something that must be grateful for because I think it is proper that it should be so. I am very glad that the Chief Minister has brought this message back.

However, on the other aspects of how and to what extent this is going to affect us in real terms we know nothing so far. We hear departmental statements here and ministerial statements in London. If the Minister makes a statement one would assume that before he made the statement he must have been informed of the situation as to how it was going to be conducted because it would be very irresponsible of a Minister in England to say that the cuts are going to be not in the foreseeable future and suddenly to find that here we are told it is going to happen more or less tomorrow. One has to believe the Minister must be right and if it is not right then of course we must take whatever necessary action we should take in the right quarters to ensure that what he stated in parliament is adhered to. This is why I said I did not come to this House to divide but to unite. In this House we have always found it possible when there are serious problems facing Gibraltar, we have always united very closely and I am sure that this is not going to be the exception. I wish of course the Chief Minister should have invited the Leader of the Opposition to go with him to see Sir Ian Gilmour.

HON CHIEF MINISTER

I do not invite people to go and see Sir Ian Gilmour. I asked to see him as Chief Minister. I do not see why I should bring the Leader of the Opposition into this matter at all. This was an executive matter on the part of the Governor and myself.

HON MAJOR R J PELIZA

Well, Mr Speaker, I hope that in future if the Chief Minister asks to see a Minister in this respect he can always ask: "Could I bring the Leader of the Opposition with me?" And I think that this would have been in my view, the way to have proceeded. He thought there was no need for that, well, I hope that he is right and I only hope that

if the situation worsens or if there is no way of clarifying this more that he will be able to get cooperation from this House to the full which he must know he has got. He has got it certainly from the Opposition and although I am not speaking for my friend on the left I am sure that he is just as willing as anybody else. We have been able not only, to attract support and cooperation from the Members of this House on other issues, but we have been able to attract support and cooperation from almost every major public representative body of Gibraltar which I think might be necessary as time goes by if the possible threat does turn out to be a reality. Having said all that I think we should be guarding ourselves very carefully on this. It is obvious from the Constitution that the Governor is ultimately responsible for the economic stability of Gibraltar. I am glad to say that when the nitty gritty of the Constitution was being discussed, and I was a member of the Conference, one of the things that I said when the small details, Mr Speaker, the small print which in fact is the most important of all, as it is in fact in this House when we start talking in committee, one of the points that I tried to make sure was that eventually it would be the Governor who would be responsible for the economic stability and this responsibility is very much on his shoulders of course when I say the Governor it means the United Kingdom Government and I think that responsibility is now coming forward because already the Governor is speaking of forming a committee in Gibraltar and to my knowledge he has invited the Leader of the Opposition and other representatives from other responsible bodies to serve in this Committee. In that letter as well, Mr Speaker, I think there is attention drawn to the civilisation of the airport.

HON CHIEF MINISTER

The civilianisation, not the civilisation.

HON MAJOR R J PELIZA

That is what I said, the civilianisation. It might have to be civilised as well. I do not know enough about the details but I am sure that in terms of money it must be very considerable if Gibraltar has to foot the bill. I do not know what is meant by that. I am sure that if it is meant to be that the Government of Gibraltar were to take that over that would be I think quite a burden. Perhaps the Chief Minister, if he has time later, he can explain if he has any more knowledge of that than he has about the cuts in the Dockyard. One point that I would like to emphasise regardless of everything that has been said, is the statement that very rightly he made in reply to the statement

that the Leader of the Opposition made yesterday. That our position should be clear without any misunderstanding that if there are cuts in the MOD departments and this is going to be substituted by something else, that those cuts are not implemented until what is going to be substituted is effected. I think this is the principle that I hope the Government will accept, the principle that all responsible bodies including trade unions will be able to accept. That, to me, is fundamental, it is the fundamental point on which all our thinking must be based. Having said all that, Mr Speaker, I think of course it is proper that we ourselves should take an initiative and there are certain things that in my view, regardless of what may happen in the Dockyard, it is in the interest of Gibraltar whether or not there are cuts in Gibraltar that we should take immediately. I think it is very timely that we should have this report on the input and output. I commend to the Members of this House to study that report if they have not done so. Here we have a very clear terms what makes the economy tick and particularly now that we are talking of possible unemployment, where jobs can be made available with greater or lesser intensity and since of course apart from us wanting money coming into Gibraltar we also want people to be able to be employed that is a matter that perhaps when planning we should take into account apart from many other matters. One industry as I said before that is perhaps the second one in Gibraltar, tourism, is one that for some time now I have been urging the Government to try and do something about. In November last year, Mr Speaker, in the hope that some new way of approaching the development and promotion of this industry could be achieved with more success than we were meeting and perhaps also to overcome the difficulties of outside competition and the consequences of devaluation of currencies etc., etc., and all the factors that make the ups and downs of the tourist industry, I suggested that with urgency the Minister should try and get an advisory board going. That motion was passed unanimously by this House yet we are now, Mr Speaker, in July and the Minister has not found it possible to get that board going. It is a great disappointment, Mr Speaker, in the tourist trade that this has not happened. And of course the disappointment is worsened because the trend of our tourist trade has taken a very serious dip for the worse. We heard, Mr Speaker, the Minister say in answer to my question that it appears that this will be down this summer by between 45% and 40% on last year and last year it was down already. Consequently, Mr Speaker, we find that at least three operators, people who sell Gibraltar in England, have pulled out. Thomas Cook, Ellerman and Owners Services Limited. As you can see from their names they are big operators with a good name in the United Kingdom and I think it is sad to see that we are going to have fewer counters in England, fewer reputable

counters in England selling our product. I am sure the Minister must also feel disappointed that this has happened. We heard yesterday that the advertising campaign has been planned in England and that it is going to be shown here in a few days time. But that, Mr Speaker, is more or less the way that they have proceeded in the past and has not produced results. Any businessman knows that if you are promoting your products in a certain way and that does not work, some other way has got to be found to overcome the failure and the answer is not overcompetition, that you can get a holiday somewhere else for £50 a week. Well, if that is going to be the attitude we shall never be able to offer it for £50 a week because the standard of living of our community demands a certain amount of income to be derived by those who work on it, but if we were to do that we might as well give up because there will not be anybody here to serve it. We have got to start from the premise that our product must cost more. This is not unusual, I mean, you go to any shop and you can find an iron that is worth £3 and another one worth £25, and that does not mean to say that the £25 iron does not sell. In fact if I can say so from some experience, you find that the client tends to go for the more expensive one, always. I have been behind the counter so I can tell the Minister this. And perhaps from his own experience, if he is offered two products and one is more expensive than the other the first thing one thinks is that if it is more expensive, it must be because it is a little better but, of course, the point is that it has got to be proved in the long run that it is better. It is no good selling something at a higher price which is worse than the one that you are getting for a cheaper price. So what does it call for, Mr Speaker? Straightaway, you must improve your products. What is being done in that respect, Mr Speaker? Nothing that I can see. But yet, Mr Speaker, everybody in the industry is raring to go, they want to improve the product. They want to be able to cooperate with the Minister and see what they can offer. But the answer is, no. The Minister says he cannot accept one of the clauses that they are suggesting should form part of the basis on which the advisory board is going to work. I can read that clause, Mr Speaker, which in my view is a reasonable clause, because obviously what the operators connected with the tourist trade do not want to do is just to attend a meeting of what you might call a talking shop.

MR SPEAKER

Are you going to be long?

HON MAJOR R J PELIZA

Well, I think, Mr Speaker, that it will be at least another ten minutes, I think.

MR SPEAKER

Then, perhaps, we will now recess as we did yesterday until 2.15 p.m. when we will resume the debate.

The House resumed at 2.20 p.m.

HON MAJOR R J PELIZA

Well, Mr Speaker, it is rather difficult, I think, to get back into gear at this time of the day so if there is any grinding I hope the House will bear with me, if they are awake to hear the grinding. I left, as you know, Mr Speaker, on the question of the objection of the Minister to accepting the terms of reference that were referred to him by the associations who he thought should form part of the advisory board. The objection that I referred to earlier on is an objection to Clause 2 (b). There is a little bit of a history behind this which I will put across very briefly. The Associations, soon after the Minister called them in to form this association, produced their own terms of reference and in that particular first suggestion I think they were rather firm on the question of formulating policy and I think that they themselves more or less agreed that perhaps the terms they had used were a little bit too strong for the Minister to accept in that maybe they were taking too much responsibility away from the Minister and more or less assuming it themselves. I am the first one to agree with the Minister 100% that the Government is ultimately responsible and he is responsible and I think that he should have the final say in whatever happens. I do not think that any Member of this House will obviously abdicate the responsibility that is in the nature of the position of Government and in the nature of the position of this House, to hand it over to any association. So it is not that for one moment am I suggesting to the Minister that he should abdicate his responsibility, I am not saying that at all, but what I am saying is, try and bridle the forces that are so closely concerned with development of tourism and try and see if he can so harness that energy for the good of Gibraltar as a whole. I honestly believe having had chats with the people concerned,

that they are no more interested in assuming responsibility but what they are interested in is that if they are going to have a meeting of this advisory board whatever they say, whatever opinions they may have, must have some influence on the Minister. What advice is the Minister giving today? He is getting advice from Civil Servants. That, I may say, is one of the greatest weaknesses in any department of Government which is any way linked with business because the attitude of a Civil Servant cannot possibly be the same as the attitude of a businessman. It does not allow for this in that the Civil Servant has got to be very careful that he is never wrong and consequently all his advice is extremely cautious whilst the businessman sees it from the angle that there is an element of risk in everything he does. It is one of the unfortunate situations in most departments that the advice of Ministers is usually obtained from the Civil Service which at the end of the day is the party which is always in power in any democratic Government except in the United States of America where when the Minister changes he carries with him his own advisors from his own party. This is not a black mark against the Civil Service, I am not trying to say that. They are obviously the Establishment, they are the anchor and it is very useful to have them there. But it is also very useful for the Minister to have another point of view so that he is not blinded if all the advice he is going to have is going to be from the Civil Servants. Here he is in a wonderful situation where he can get advice from his Director and his department and he can get direct advice from the horse's mouth in his own advisory committee from people who know the business, who have got a very direct interest in the business, and he is rejecting it. This is what I am so sorry to see happening and I wish that he would find a way of meeting what I think the trade now considers to be the minimum which I am going to read because I think the House should know what is that the Minister really objects to. This famous Clause 2 (B) reads as follows: "Formulate policy with particular regard to ensuring the best use of governing financial and other resources as made available to the Gibraltar Tourist Office". Well, all right, perhaps the Minister objected to the words "formulate policy". Perhaps they should not be the only people who should formulate policy and I agree that there was room for manoeuvring there. This was objected to and the Government produced another formula which was not acceptable to them and eventually, I think, they came back. So the final suggestion from the association was: "To consider and suggest promotional activities designed to stimulate traffic in the short and long term, advise on the formulation of policy including the best use of Government financial and other resources as made available to the Gibraltar Tourist Office and advise on advertising proposals

prior to commitment". This is what they are suggesting. The Minister says that it is not, well, this is the second draft from the association that has come to my knowledge. If the Minister had another one with which I do not know about then, perhaps, he can produce it later. If he challenges that this is not so, well perhaps he can say so later. The amount of information I get obviously cannot be the same as his. To the best of my knowledge and belief this is the final one that they offer and this is the one that the Minister rejected in a letter dated 9th June in which he said that this was not acceptable. What is objectionable in that Clause? Perhaps we should analyse it. Well, I do not think I should.

MR SPEAKER

Certainly not.

HON MAJOR R J PELIZA

I think the people here have got enough sense to be able to analyse it and know what it means. In no way can the Minister say that he is abdicating responsibility by accepting. But yes, of course, there is an element in that of trust in the Minister on the part of the association and also a certain amount of undertaking on the part of the Minister that he is going to provide the information and discuss matters before there is any commitment and advise them at any time that there is any change in the spending of money to do with tourism. If this is so then I think, Mr Speaker, the associations will see that they are being taken seriously.

MR SPEAKER

I am afraid that we are not talking about the motion before the House.

HON MAJOR R J PELIZA

All I am saying is that if the Minister were to agree to this sort of thing he would then have the advice as to how the department should proceed in the hope that they will be able to overcome the difficulties that no doubt tourism is meeting at the moment in Gibraltar. It is obviously, Mr Speaker, that the course that the department has taken so far has not been successful and I think it is time that they look at other ways of propagating tourism in Gibraltar

because at present it just does not seem to be working. I am not trying to be completely damning, Mr Speaker, far from it, I congratulate the department on the wonderful leaflets they have produced.

MR SPEAKER

The wonderful what?

HON MAJOR R J PELIZA

Leaflets. I think they are excellent. May I say that one of the reasons why I come so often to Gibraltar is perhaps because I looked at these leaflets and I see how good it is, I am really attracted by it. As a visitor to Gibraltar now and again, I do see things when I arrive here that perhaps the Minister does not see. I would suggest to the Minister that if he walks along Casemates where an old derelict house at the end of Casemates Square was pulled down and looks at the wall that has been left there, that is in a terrible situation. I object to the Chief Minister saying that that is Mr Mifsud, I think it is most unfair of him, first of all to name anybody in Gibraltar particularly connected with me because he has got nothing to do with what I am talking about not and I think he should know better than that. It has got nothing to do with Mr Mifsud because the derelict house that has been brought down is right at the corner of Casemates which has nothing to do with the building.

HON CHIEF MINISTER

If it is not Mr Mifsud I apologise but I think it is all part of the same development.

HON MAJOR R J PELIZA

It is not part of the same development, Mr Speaker, it is at the end of the wall which needs rendering and whoever it might be, first of all I do not think it is Mr Mifsud, I think it might be, first of all I do not think it is Mr Mifsud, I think it is a company, it is very wrong to mention names because I could start mentioning Sir Joshua Hassan in connection with many companies which he represents and he would not like it. A company is a company and an individual is an individual, Mr Speaker, and even if it is a company, it is still up to the Government to call attention to the company to put that right. I would say that if the Minister were to go round there and look at the place, he

will see why the product is not the sort of product people expect to pay for.

MR SPEAKER

With due respect to the mover of the motion, we are not going to speak about the way that tourism is being looked after now. We are not going to review the whole of the Government performance up to date.

HON MAJOR R J PELIZA

Mr Speaker, the motion says "meaningful support" and meaningful support means improving the product of Gibraltar. If the Government is not prepared to improve the product of Gibraltar we cannot have meaningful support for Gibraltar.

MR SPEAKER

Fair enough but let us come to the point and not go into details.

HON MAJOR R J PELIZA

Well, Mr Speaker, if there is an interjection from the Chief Minister which I think is most unfair and personal, I think I should reply to him.

MR SPEAKER

I have not called your attention to your reply to the Chief Minister, I am talking about now.

HON MAJOR R J PELIZA

Yes, very well, Sir. We want to improve the product and one of the ways of improving the product, Mr Speaker, is the outlook of Gibraltar. I am sure if the Minister looks at that place he will see that that should be put right immediately. Another one, Mr Speaker, is in fact in his own office. If he goes along the east side of his office, he will see the state that the whole of his office is in, he will see all sorts of ropes dangling down the wall, a horrible sight, Mr Speaker, and I would say if that is what we want to sell to the tourists in Gibraltar we will never get anywhere. Mr Speaker, if the Minister had an advisory

board all those points would be put right. Then he would not say we cannot compete moneywise because I have said before it is not a question of how much it costs, it is a question of what value are you getting for your money at the end of the day. There are many places, Mr Speaker, in the world today where people are paying a lot of money to go and what happens is that not only do you pay more to go there but tourists will want to spend more when they are there. I am not saying that it is easy, it is a difficult task but I would rather do it any day with the support of the trade working together, getting their advice, and if necessary at the end of the day if they are wrong, pointing out to them that they have been wrong, that you took their advice, rather than all the time being pilloried because they say that the Minister is not doing what he should do. So, Mr Speaker, on the question of tourism I think that it is a vital item of our economy which regardless of what may happen at the Dockyard, it is in our interests to put right and if we have to fall back on it more than we have had to so far, let us hope that on that we will be able to cushion some of the effects of the other things.

On the question of tourism as well, of course, Mr Speaker, there is the question of the cruise liners, yachting facilities and Morocco. On the three I am going to choose Morocco because we have noticed I think, generally, and one does not have to have statistics, if one just walks up and down Main Street I think one can notice that there are fewer people moving along our streets and therefore fewer purchases being made. I do not know what the Minister is doing in that respect but if all he has got to say about Morocco is what he had to say earlier when I asked a question as to what was happening with the situation of the rest of the tourist trade I think that there is nothing new that he has mentioned when he replied. I was expecting him to give him a much more comprehensive answer on what was being done by the Department not only to promote tourism but at least to overcome the great decline that we are now suffering to the extent, Mr Speaker, that I have heard, and these are only rumours at the moment, that one important hotel in Gibraltar is contemplating closing for the winter. If there is no hotel availability in Gibraltar the promoters in England, the travel agents in England will be all the more discouraged from carrying on. I would ask the Minister to see what he can do to get the hoteliers and other people who have got the money here to try and cooperate 100%, to feel that they have your 100% support and that you will be able together to formulate policy which I can assure you, notwithstanding that I am on this side of the House, if I can be of any assistance at any time, anywhere, I shall be

delighted to give it to the Minister. I hope that he sees that I am not trying to have a go at anything but trying to be helpful. Sometimes, of course, one has to produce a situation in the reality that it is in so that people do realise that something must be done. If we look round, Mr Speaker, if one looks at the other items that I think are important to the tourist trade and to the general economic activity of Gibraltar as very clearly expressed in the Input and Output exposition which was made which I drew attention to earlier and which I will obviously refer to except one or two points which I think are important which I think refer to all these other units of our economy which have a contribution in employment and in the general welfare of Gibraltar. We have, for instance, bars, restaurants and entertainments. I will not, because of the time factor, produce the figures shown in the report but it is in fact one of the items that is attractive to the tourists and therefore it is something that we want to foster as much as possible and one has got to be very careful with two things in this respect. Rents; as we know and they are one of the people who have been screaming about this to try and ensure that there is some kind of security of tenure of the premises that they occupy and that there is some form of control in the amount of money they pay and also on the licences that they have to pay which as we know have shot up and all the other services that they have to pay because you cannot expect, particularly in these days, when there is a decline in the number of tourists, where there might even be a worse situation if the local people find it more difficult to go and have a drink and entertain themselves in restaurants and bars and that sort of thing; if this is so then obviously their prices are going to go higher and we are going to become less competitive. Another item which I think is important for Gibraltar is the Port. We have had a wonderful statement from the Minister on the question of the Port. On the question of the Port, Mr Speaker, it is interesting that exports are quite high, it is 25% I think, of the final demand of our economy and I was sorry to see, and the House will recall this, when two years ago because we were doing extremely well in the Port, if I remember rightly the fuel duty went up and therefore we had to charge more and then last year there was a drop. I think we have got to be business orientated in this. We must not think just of revenue coming into the economy. We must think of the people that if we had a flourishing economy in Gibraltar will find employment. The end all and be all of our economy is not just to draw money to put into the Government kitty, it is equally important to make sure that there are plenty of jobs going round. Therefore, Mr Speaker, if we know that there is a source of income to Gibraltar from which we can draw more from others and if the source of income is not just a question of selling at a high price but that the turnover, the quantity that you sell is equally important.

Every tanker that comes in for bunkering in Gibraltar it is not just the oil, if the crew comes ashore they buy, the ship pays berthing charges and so on and so forth and they probably send telegrams and they use telephones and overall, Mr Speaker, it is money coming into the economy generating more work and generating more jobs. I do not know to what extent the Port Report that we have had is going to be totally relevant if there are any changes in the Dockyard. It would be interesting to hear now or later from the Minister for Economic Development what are likely to be the effects on that report if there is a change in Her Majesty's Dockyard. It might be that the whole report will have to be revised.

It is possible that we shall have much more space in the whole of the Port that we have had up to now. I do not know whether the Minister has applied himself to that consideration yet but no doubt it is a matter that will have to be looked into if the changes are drastic. So, Mr Speaker, we go on now to development. I am not one of those people who have always said expansion for the sake of expansion because Gibraltar is limited in space and unless expansion is produced by productivity, in other words, by using the same number of people, expansion means more people into our area and that creates all sorts of problems of housing, of social services requirements and so on perhaps with very little benefit at the end of the day to the local population. So any expansion that is required where we have full employment, must be considered in the light of the ultimate effect to the inhabitants of Gibraltar which is after all the people that we are interested in benefitting and, therefore, I have always been a little bit cautious when we talk of expansion. Now, on the other hand, I think if we are going to have unemployment in one sector then we have got to look for expansion in the other because the expansion in this case will be carried in a way that will not escalate the requirements of all the social services and all the rest I have said before. So in this instance we should be very conscious that expansion in this respect in other industries in Gibraltar and perhaps new industries will be very necessary. For instance, I think that banking and company location in Gibraltar for which I have noticed from the report is very labour intensive in proportion to what they give. That, therefore, in my view, is the kind of expansion that we may be looking forward to and do what we can to the maximum because if the people that are going to be made redundant in certain quarters are not tradesmen but more on the clerical side, it is obvious that that is what we have got to look for. Mr Speaker, to what extent is Gibraltar known in the context they have mentioned like the Port, development generally that they come in the form of tourism or whatever, perhaps retired people settling here and so on and on the banking? I think very little is

known. I think that we have in London and I know people are going to misinterpret this, I am not in any way personally concerned with this, but if I can help of course and the Government wants me to help, I will. We have a magnificent situation in England where we already have an office and it is not fully exploited and there I think we have got to make full use of it and I keep saying it and I am sure some day it will have to be done if we are not going to sink, there we have a place that we have to use much more than is being used today in that respect and also, if necessary, in the political sense and I call on the Government that it is more important that this almost ready-made situation that we have in England should be exploited to the maximum. We have seen, Mr Speaker, how politically we have had to depend on our public relations there but we are doing it by remote control and it would be much better, I think, if it could be done from the place itself. I said I would draw attention to the report because it is very timely that we should have this now and I think that we should all look at this very carefully. I would like to just give an indication, Mr Speaker of what is written in this respect and it is an assumption, Mr Speaker, from those who have looked at it of what the effect would be in the economy. They say, and this is page 41, Mr Speaker, of their Input and Output Study of Gibraltar by the Institute of Economic Research of the University College of North Wales. It says: "Assume that the MOD/Dockyard/PSA increase the general level of their activity by £1,000. The additional £1,000 will be distributed across the other sectors of the economy as shown in column 18 in table B. £2 will be spent on wholesale and input services. £194 will be spent on building and construction. £7 on shipping and related services. £5 on Post Office and communications. £12 on manufacturing. £7 on miscellaneous services. £2 on electricity. £672 will go to the household in the form of wages, salaries and profits. £1 to water, £61 will go to the Gibraltar Government in the form of indirect taxes and £37 on import through customs. Mr Speaker, that is the effect of £1,000 more. Inversely, that will be the effect of £1,000 less. So, Mr Speaker, the gravity of the situation in that particular sphere is very, very obvious and very, very serious, if it came to pass. It is therefore the duty of the Government above all and certainly of this House, to see what we can do first of all to prevent by every possible means that come about and, secondly, if it has to come about because it is beyond our efforts and endeavour to stop it, to see how we can put it right. I started, Mr Speaker, by saying that I came to this House not to divide but to unite. I still say that regardless of what I might say I hope it is taken in that spirit and if I have had to draw attention to certain points in a more graphically expressive manner than I would have done other-

wise, I have done it deliberately just to stimulate interest and to stimulate the importance and the anxiety of everybody in this House to try and get things right. I appeal, Mr Speaker, to the Chief Minister to deal with this matter in the by-partisan way that he has been dealing with foreign affairs matters. It is equally as important if not more important because as I said when I started we do not know what the political tail of this comet will be like. Economics is always linked up with politics and therefore if he believes that in the field of international politics we should be approaching this in a bi-partisan way. I think that this should receive the same attitude that he has adopted for the other and I do hope that he will be able to approach this manner with the same kind of unity that we have been able to approach all the others.

Mr Speaker proposed the question in the terms of the Honourable Major R J Peliza's motion.

HON J BOSSANO

Mr Speaker, I do not support the motion brought by the Honourable Member although I am not sure what the motion is because it seems to me that on first reading, the motion is the response to the threat of a reduction in Gibraltar's economic activity brought about by cuts in defence expenditure in Gibraltar. If this is the response then, clearly, I cannot support it because what I think the response should be is the subject of the motion that I am moving in this House. If I thought all that was required was that the Gibraltar Government should give support to other industries, then I would not be seeking in another motion that this House should place the burden and the responsibility on Her Majesty's Government and not on the Government of Gibraltar. If this is the response of the other members of the opposition to possible redundancies in Her Majesty's Dockyard then I do not support this response. If, however, what the motion is is an attempt to draw attention to the importance of the tourist industry in Gibraltar irrespective of whether there are cuts in the Dockyard or not which the Honourable Member has said it is at different stages in his speech, then I do support that. As I see it, there are two different and conflicting motions here contained in one and therefore what I propose to do is to drastically improve the motion of the Honourable and Gallant Member so that it achieves the part of the speech that he has made in support of the need to give importance to the tourist industry in Gibraltar commensurate with what is reflected in the Input and Output Study. I would not wish on this motion, therefore, Mr Speaker, to go into a

detailed exposition of the nature of the cuts envisaged for the Dockyard to which reference is made in the first two lines of the motion because that, I think, properly falls within the terms of reference of the motion in the Order Paper which I shall be moving at a later stage. Let me just say that I do not see a conflict between what is said in the White Paper, what the Minister of State has said, and what has been said by the Navy. To me there is no conflict, it is quite obvious why there is no conflict and I shall explain why when the other motion comes up before the House. As regards the question of the tourist industry, Mr Speaker, I would put it to the Honourable and Gallant Member that having placed so much emphasis on the nature of the type of tourist industry Gibraltar can realistically develop, where he has talked about improving the quality of the product, it follows logically from that that we are not talking about a mass tourist market, we are talking about developing a tourist industry for the top end of the market and that will not create massive jobs. If we are talking about a tourist industry which creates revenue rather than volume then we are not talking about an expansion of the tourist industry with lots of jobs in it. Of course it is a moot point whether skilled shiprights from the Dockyard would take too kindly to finish up as waiters for wealthy tourists coming to Gibraltar. I think that without mixing up the question of the defence cuts where I think the reaction of this House should be in fact reflected in the other motion, it is a matter where we have to think, tie down the generalised commitment of sustain and support in the specific ways that the House considers it should be tied down for the benefit of the economy of Gibraltar. Quite apart from that factor, if we look at the industry and its development I think that the Input/Output Study does in fact indicate the effect of the economy of Gibraltar of the tourist industry, the ramifications of that industry throughout the different elements that make up the economy and certainly as far as I am concerned I do not mind telling this House that it was a surprise to me that it should have as big an impact as is reflected in that study. But as far as creation of jobs, all I would remind the House is that we are being provided with figures by the Department of Labour and Social Security that show that in June we imported into Gibraltar two new chefs that were Spanish and one new chef that was Moroccan and when we are talking about job creation in that area let us not be misled into thinking that job creation means re-deployment of existing labour who may well lack the skills that expansion would demand and the last thing we would want, Mr Speaker, is to find ourselves expanding one sector that has to draw in labour from outside while having stagnation and unemployment in sectors that are depressed. That is the last thing that we would want in Gibraltar.

because it would create a great deal of resentment and social strife because the man in the street would not understand that. He would understand that newcomers were coming in and getting jobs which he could not get and therefore we have to think seriously and base ourselves on facts, on data that is provided, and in talking about expansion it is not enough to talk about these things in generalised terms when we are seeking, effectively, at least that is as far as I am concerned, as I see it, before I make up my mind to vote I am committing myself and my party to a policy, not just making speeches in this House, I am committing myself and my party to a specific policy and we could not support the policy reflected in the motion as it is drafted at the moment. I shall be dealing, as I say, with a number of points that the Honourable Member made this morning where he dealt primarily with the question of the defence cuts, the airfield and the visit of Admiral Pillar and so on but at this stage I think I should concentrate on the question of the tourist force and the position of the tourist industry to which the Honourable Member has devoted most of the time. He has, in fact, moved from one thing to the other and therefore, Mr Speaker, I propose to make no reference in any detail as to our policy regarding the Port Development because I think if we are going to talk about Port development there is another subject in turn, nor am I going to talk about the possible development of Gibraltar as a finance centre because again that is another matter and I think in making references I want to make it clear that my support cannot be taken to mean support to all the things the Honourable Member has mentioned, including the Tourist Office in London. It makes it difficult I think, for one to decide how one votes when in support of a motion a whole multiplicity of different issues are mentioned because one may be in favour of one element in it and not another and apparently all of them are being made in support of a motion and no doubt it is in order that all these things should be made in support of the motion otherwise you would call the Honourable Member to order, Mr Speaker, despite your long tradition of liberality in this House. Therefore in the question of the Board, I think that the Board was originally proposed by the Honourable and Gallant Member with the best of intentions to ensure the involvement of the people in the industry. I can understand that when it comes to having a say in the expenditure of public funds the Government may feel a certain reluctance to allow private sector representatives to decide how Government spends public money, that I can understand, but I think it is reasonable that the people concerned should be able to say to the Minister and that the Minister should give considerable weight to their views, they should be able to say: "Look, if you spend money this way we think that it would produce more customers for us". To the extent that they are the beneficiaries of

more customers coming to Gibraltar they should be in a position to put to the Minister what they think would produce the best result since it is essentially a question of spending public money in order to promote activity in the tourist industry. Let me just say, of course, that the Honourable Member has used the words "more meaningful support" without specifying what he means. I do not know whether more meaningful support means cash grants, subsidies or administrative support or paying lip service or encouragement, I do not know what it means, but I can tell the House that I certainly would be opposed to the Gibraltar Government pumping money into development in the private sector theoretically to create jobs which possibly might not create jobs for the people who are unemployed but create jobs for people who have to come in from outside and where at the end of the day the Government did not have any equity stake in any enterprise and stood just to be at the losing end if things went wrong and not at the gaining end if things went right.

HON P J ISOLA

Like the sand project.

HON J BOSSANO

No, Mr Speaker, not like the sand project because in fact the sand project is entirely Government owned and the Government takes the whole risk and carries the loss if there is a loss and the profit if there is a profit and I am in support of that. What I am not in support of is public money being used to pump up the individual bank accounts in private enterprises. If people want to go into private enterprise they must be able to put their money where their mouth is, that is what I say. If we are going to have public money then let that public money be risked and let the benefit go to the public purse so it is not like the sand company and I support the sand company. Yes, I do, and in fact the House may be interested to know that the views of the shop stewards employed by the Gibraltar Government who recently passed a resolution to this effect, is that if money is put into the economy of Gibraltar by the Government of Gibraltar to create extra jobs then that money should be in the creation of directly employed labour in any new enterprise and not in giving money to private individuals to set themselves up in business and therefore that is the Union view of the Government's own employees and it is the political view of the GSIP, naturally, and if I was linked with the Chamber of Commerce I might think otherwise but, naturally.

Therefore, Mr Speaker, I propose to move an amendment to the motion which I have here and which I will read out and in this amendment I am carrying, I think, the practice to which I have become accustomed in this House when I have brought motions, I think, one degree of sophistication further in that in the past it has been not unknown that all the words after the word "that" in my motions have been deleted but in this case I am deleting the word "that" as well. I can, Mr Speaker, because I have been very clever about it and I have retained the two words "this House" in the middle of the motion so I am deleting everything before "this House" and everything after "this House". Therefore, I move that the motion should be amended by deleting all the words appearing before the word "this" in line 4 of the motion and all the words appearing after the words "house" in the same line thereof.

MR SPEAKER

No.

HON J BOSSANO

Perhaps you will explain why, Mr Speaker.

MR SPEAKER

Yes I will explain why. You read the motion and I will explain it to you.

HON J BOSSANO

The motion is that we should delete the words appearing before the word "this", that is, the words between "that" and "spending", and the words from "urges the Government" to the end of the motion and we should retain the words "this House". That is my amendment and that that should be replaced by adding after the word "House" "considers that in the light of the importance for the economy of Gibraltar of the tourist industry revealed by the Input/Output Study, every possible encouragement should be given to the development of this industry by working in close cooperation with the interested representative organisations of this industry". Therefore the new motion would read "This House considers that in the light of the importance for the economy of Gibraltar of the tourist industry revealed by the Input/Output Study, every possible encouragement should

be given to the development of this industry by working in close cooperation with the interested representative organisations of this industry".

MR SPEAKER

That is all right. What you cannot do is delete the motion to bring a different motion.

HON J BOSSANO

Mr Speaker, I think that I am retaining part of the Honourable and Gallant Member's speech which spoke about the Input/Output Study, which spoke about the industry, which spoke about the need to encourage the industry and eliminating the part that deals with the defence cuts which I think can be dealt with adequately by the motion I am bringing separately to the House and which I think has got nothing really to do with the tourist industry. I commend the amendment to the House.

Mr Speaker proposed the question in the terms of the Honourable J Bossano's amendment.

HON MAJOR R J PELIZA

Mr Speaker, speaking on the amendment and perhaps, Mr Speaker, if you allow me, I will speak on that. I can suppose because whatever he spoke about now I can refer to naturally.

MR SPEAKER

Whatever he spoke to now on the amendment you can refer to.

HON MAJOR R J PELIZA

Mr Speaker, first of all I cannot see the logic of my Honourable Friend at all, if I may say so. He does sometimes, I think, abuse himself and in this case I think he has, I think he has.

HON J BOSSANO

Not if I can help it, Mr Speaker.

MR SPEAKER

Order, order.

HON MAJOR R J PELIZA

I think he has, Mr Speaker. Because if he looks at his motion, really, what he is saying is let us repeat the performance of November, 1980, which had no effect whatsoever and if he is willing to flog a dead horse it is up to him and therefore I think he is abusing his own intelligence, if I can be more specific, in case people took it in a different way which appears that the House did.

MR SPEAKER

If I had I would have called you to order.

HON MAJOR R J PELIZA

So therefore it is perfectly alright. I am glad to see that at least there is another sensible person in this House. So, Mr Speaker, on that count alone I cannot agree with him. Why then has he put in this amendment? Certainly not based on the logic that he has used as you will see as I develop my argument. First of all, Mr Speaker, the motion did not say that we are having redundancy, nobody seems to know, not even my friend on the left knows what is going to happen.

HON J BOSSANO

Mr Speaker, if the Honourable Member will give way. The motion does say that "in view of possible redundancies", therefore I take it that the motion is a response to possible redundancies. I think the response to possible redundancies is the motion that I have moved, not this.

HON MAJOR R J PELIZA

But let him say therefore that he has got to accept, I think he has got to unless he has got some other para normal vision of what is going to happen and I do not think he is paranormal, not yet, he is not paranormal or he has got some hidden information of which the Chief Minister knows nothing about and if that is so the Chief Minister should say openly that he does not know what he is talking about

and tell the people so. But if the Chief Minister feels absolutely sure of what he has got back to Gibraltar I think we all have to assume that at this moment in this House we are all blind folded and cannot see anything at all of what is happening with regard to defence expenditure. As I said before, unless our honourable friend on the left is para-normal and he has got some kind of communication with the Naval Department in Whitehall or somewhere along then, perhaps, he is in a position to tell what is going to happen and if he does I wish he did so openly later on and tell us what the cuts are going to be and so on and so forth. I cannot accept, the same as he says that we have got to work on facts, I cannot accept on facts that the Honourable Joe Bossano brings to this House because if we do then, really, the Government has got no authority and somebody else has got it in this House and I cannot at this moment in time accept that Mr Bossano has got authority. So therefore, whether I like it or not I have to go by what the Chief Minister has said and based on what the Chief Minister has said and on what we know so far all I am saying in this motion is that there might be possible reductions and I said this very specifically except that perhaps the Honourable Mr Bossano was not listening then. I said very specifically that regardless of whether there are redundancies or no redundancies in the Dockyard we still have to do this but if there are going to be redundancies we might as well move ahead of the situation and prepare the ground and at least hold the position on tourism which is going down. I also explained the question of expansion and I think Mr Bossano has completely twisted what I said about labour. Of course I said it is a labour intensive industry. It will take some time before we can pull our socks up, let alone train our people but there is plenty of time to do training if that is what we are going to do here. If that is going to be, as he says, a very good industry in which he is amazed to see what he has discovered in the Input/Output Study. He is amazed to see that.

HON J BOSSANO

Surprised, Mr Speaker, not amazed.

HON MAJOR R J PELIZA

Or surprised, but obviously he is extremely impressed by what tourism can do for Gibraltar. And I am saying that, this is all we have said. All I am saying is, we tried this before, it has not worked, let us do it now in a meaningful way. Let us see the Minister put in some meaning behind of what he accepted in this House, if the

Honourable Member wants to know what meaningful means. Secondly, there are other industries in Gibraltar which I think we could develop again regardless of whether we have redundancies or not, this is what the motion says, other industries as well, because it so happens that we have already got the momentum going and if it does not happen, well, it is not against us. I mentioned particularly banking and insurance and so on and everything that goes with that, which does absorb a lot of clerical staff who quite rightly will not want to be wasted. If there is any suggestion that what I am saying is that someone who is working in the Dockyard as a craftsman or someone who is a clerk should work as a Chambermaid that is obviously not what I said and I made it quite clear. Well, the insinuation was there and I am no fool in politics whatever you may think. I can tell you, Mr Speaker, that that was not the intention, it was never meant, it will never be, there are plenty of jobs, in fact, to start with in tourism which are clerical and some of them will require quite a study if we are going to be professional at this, it is quite a long course to take up tourism as a profession. One thing that we need here in tourism, there is no question about it, is plenty of professionals and there is plenty of scope for that, there would be time for training because whatever is said in this motion, I think the Honourable Mr Bossano knows perfectly well it is not going to happen in 24 hours, nor in one year, nor in two years, it will take a long time. The motion which he is proposing later, which he has referred to before, Mr Speaker, if I know how the things of state move, will take ages before anything happens, whilst this is something that is already there and as I said before we have got to move and take the momentum. I think that if the Government and Mr Bossano himself realise that there is a possibility, in fact he says more, he says that it is going to happen, surely, therefore, we must waste no time, surely we must give impetus to this and this is why it is put in that context, so that the Government will be able to make a special effort to get this going and not wait until it is too late and not wait to see a number of people unemployed in Main Street because we have not moved fast enough.

HON J BOSSANO

It is not the Gibraltar Government that is making anybody unemployed, it is Her Majesty's Government and that is who he should be shouting at not this House of Assembly.

HON MAJOR R J PELIZA

I am not shouting at the Gibraltar Government, Mr Speaker,

I said it very clearly before and the Honourable Member should remember what I said and I said it twice, at the beginning and at the end, and that is the policy which has been enunciated by the Honourable the Leader of the Opposition who made it very clear that we must under no circumstances accept the principle of support and sustain just like that but only until it has been implemented and Mr Bossano if he does not want to hear those things then there must be an ulterior motive because I said it twice. Let there be no silly political play in this House. So, Mr Speaker, for the reasons that I have explained, I do not believe that the Honourable Mr Joe Bossano had made a good case for his amendment. I would be the first one to support it but under the circumstances I cannot, I stand firmly by the motion that I have moved because I think it is a timely motion, it is intended to unite this House and I am sorry that the Honourable Member has had to put a wedge in between. I would have thought that he would have co-operated in this very important hour when we must all be united in this House to show that we mean business, to try and do something within our own resources as far as this is permissible, and he comes along, Mr Speaker, and this is rather regrettable to me that he should come along and try and destroy the whole essence of the motion. Here we are, the people of Gibraltar within our own resources, we are doing our best in the face of the situation, but that does not mean to say that the responsibility does not fall squarely on the Government that says that will support and sustain us, and in fact even draw attention to the role of the Governor and the role of the Government. In fact, what I do not believe is that the motion that he is putting is proper because if the responsibility is going to be that of Her Majesty's Government, we are nobody at all to start in this House to make suggestions which in fact may come back against us in the long run.

HON J BOSSANO

Mr Speaker, all I can say is that the Honourable and Gallant Member has done absolutely nothing to counteract any of the arguments I have put except to show how much they upset him and I am afraid that the fact that it upsets him is not enough to make me change my mind. One specific thing that he had an opportunity to spell out was what "more meaningful support" meant where I drew particular attention to my opposition to give cash handouts to the private sector in order to create jobs for displaced Dockyard workers.

HON MAJOR R J PELIZA

If the Honourable Member will give way.

HON J BOSSANO

I will, yes.

HON MAJOR R J PELIZA

Mr Speaker, I have made quite clear what I mean by "meaningful". It is the determination of the Government to do something about it. I am sure that he will be the last one to suggest that we want to carry out a monetary policy the same as Mrs Thatcher in England. I am sure that is the last thing he wants. If we believe that there is an industry in Gibraltar which because of the circumstances it is necessary we should give it some aid to keep employment going, does Mr Joe Bossano suggest that he will object to that and he will see unemployment in the streets. That, Mr Speaker, is what I mean by meaningful but, certainly not to fatten up the bank accounts of local industrialists which he gave the impression is what I meant.

HON J BOSSANO

I was asking, Mr Speaker, what it meant because the Honourable Member in spite of making a very long speech completely failed to say anything at all about what those words meant until I drew his attention to it, and now he says that it does not mean to fatten the bank accounts of industrialists but if an industry is short of money, well, I can tell the Honourable Member that every hotel in Gibraltar is now short of money and I do not know whether he suggests that those hotels should have any losses that they suffer made up. That seems to me to be totally irrelevant to the question of the redundancies in the Dockyard which I shall have a great deal to say about when the time comes in the motion and which I think the House should respond to by putting a positive and concrete set of proposals before Her Majesty's Government as to what we think they should do because it is their responsibility and not ours, and I certainly would not wish to say to the Gibraltar Government: "You must now spend more money supporting the tourist industry to make up for less money coming from the UK". I think the British Government has had a very good deal about Gibraltar and that we are perfectly entitled to ask for reciprocity and I shall develop that theme in the motion that comes. All that I have done as far as I am concerned is to divorce one issue from the other and I cannot see anything in the amendment, which the Honourable Member is going to vote against, which goes in conflict with anything that he has said. It seems to me that he will be voting against the amendment because I am moving it and not because he can disagree with what it says because I am actually quoting his words in the amendment I am proposing before the House. I

commend the amendment, Mr Speaker.

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

The Honourable I Abecasis  
The Honourable J Bossano  
The Honourable A J Canepa  
The Honourable Major F J Dellipiani  
The Honourable M K Featherstone  
The Honourable Sir Joshua Hassan  
The Honourable J B Perez  
The Honourable Dr R G Valarino  
The Honourable H J Zammit  
The Honourable D Bull  
The Honourable R J Wallace

The following Honourable Members voted against:

The Honourable A J Haynes  
The Honourable P J Isola  
The Honourable A T Loddio  
The Honourable Major R J Peliza  
The Honourable G T Restano  
The Honourable W T Scott

The amendment was accordingly passed.

MR SPEAKER

The amendment is carried and therefore I will now remind the House that the motion as it stands before the House now reads as follows: "This House considers that in the light of the importance for the economy of Gibraltar of the tourist industry revealed by the Input/Output Study, every possible encouragement should be given to the development of this industry by working in close cooperation with interested representative organisations of this industry". The Honourable Major Peliza and the Honourable Mr Bossano have spoken to the motion already.

HON H J ZAMMITT

Mr Speaker, Sir, I had thought when I first saw this motion by the Honourable and Gallant Major Peliza, that he would

have come somewhat better prepared particularly with regard to tourism. Mr Speaker, I was quite surprised to listen to his contribution, particularly making reference and praising the Input/Output Study because it shows to a great degree the economy of Gibraltar, how it could well be further exploited or expanded but what the Honourable Member may not know is that the Acting Minister for Tourism, very much regrets that the only association that failed to co-operate in the Input/Output Study happened to be the Gibraltar Hotel Association, the very association that is today quibbling about their not being able to survive. It, therefore, brings me round to the original contribution from the Honourable Major Peliza where he referred to Clause 2 of the terms of reference of the Tourist Advisory Board. It is, I think, ridiculous to expect Government to accept an advisory board, not a management board, an advisory board, to tell the Minister who has to come to this House and answer for public spending, to allow them to formulate policy and spend money not just on advertising, if he cared to read that carefully, but in all monies that the Government makes available to the Gibraltar Tourist Office. One could expect, it does not even say that, it goes further to say: "and all matters relating" which means staffing matters. Mr Speaker, I hate to compare but unfortunately in Gibraltar when it suits us, we compare ourselves with A, B or C. Then it does not suit us we say; "Well, that does not concern me". Mr Speaker, in several parts of the world, excluding Gibraltar, the advertising money by the relevant tourist industry is drawn from public funds a pound for a pound and therefore, I suggested to the Advisory Board that if they were prepared to put in a pound for a pound as is done elsewhere then one could very well consider their formulating policy and controlling public funds but not under the present circumstances where Government, and Government alone, spend £200,000 in advertising. I would like to remind the Honourable and Gallant Major Peliza that in March of this year, after I had returned from the United Kingdom on a trade promotion in February, I decided to hold a seminar with all interested parties in Gibraltar who had previously complained of bad advertising and very poor public relations and I brought out the experts, that is Lonsdale on advertising and Eric Williams and Partners on public relations, and not one single word of discontent was mentioned by any member present at the seminar. When they explained what they were doing for Gibraltar the hotel and the tourist industry in Gibraltar were very pleased and in fact I shall remind the Honourable Member that only next week a follow-up of that particular seminar is to take place. Certainly we will consult but we do not accept that it is civil servants who tell Ministers what to do particularly in the tourist industry, we rely on experts who we pay quite handsomely. Mr Speaker, I think it is more than unfair to say that the action that the Tourist Department has taken so far has

proved a failure. I think 1979 was a boom year where it was impossible to find a seat on the planes or even bed accommodation. Let me remind once again Members of the Opposition that in 1980, although it was lower than 1979 it was higher than 1978 and 1977, so 1980 although not good compared to 1979, was certainly not bad compared to 1978 and 1977. I do not want to be repetitive, I think we all know that our main tourist industry comes from Great Britain. The fact that there are some three million unemployed contributes to the lack of movement in the tourist industry. It is not against Gibraltar, let me assure the Honourable Member, it is not against Gibraltar despite the fact that there are many things that could be done to improve the product, it is something that I have tried to instill on the hotel industry and on the tourist industry in general that there are many things where we should try and pull our socks up. I do not think it is right to come here and pay lip service and I think that my unpopularity with them was because I was able to tell them clearly where I thought they were failing and the complaints that I have received in England about the service they were obtaining, the expense they were paying to come out here, and then how they were treated and what little amenities the hotels were offering. Mr Speaker, it is all very nice and I am not trying to be funny with the Honourable and Gallant Major Peliza, to come out here for two or three days, to get terms of reference and try and stir up a storm in a teacup. I would ask the Honourable Member, has he received complaints from tourists who come here year after year out of sheer loyalty to Gibraltar and every year they think less and less of the service they are getting.

HON P J ISOLA

What about power cuts, dirty streets and things like that?

HON H J ZAMMITT

Yes there is rubbish, Mr Speaker, and I think the Honourable Member saw rubbish in London a few days ago. Mr Speaker, do we hit the Unions on it? Are we going to pay lip service and say wally wally to everybody else.

HON P J ISOLA

If the Honourable Member will give way. That is completely wrong, we have asked repeatedly in this House in relation to power cuts. We have been pressing and pushing the Government to do something about it. We have asked for the

Preece, Cardew and Rider report and the response has always been silence and silence and power cuts have continued and that must have affected the tourist industry.

HON H J ZAMMITT

Mr Speaker, I accept that there have been power cuts, I accept there has been rubbish and I accept that there have been strikes which have affected the tourist industry. We accept also that the IPCS strike recently has caused two liners to leave, in one case four hours before and here we are kidding ourselves talking about promoting tourism and nobody here has stood up and said a word about these cruise liners. The Canberra had to leave three hours before time and the Honourable Member thinks the Minister for Tourism can wave a magic wand and bring tourists to Gibraltar. We jolly well cannot Mr Speaker. If we want to bring tourists here we may as well give them each £100 and pay their passage and hotel accommodation, we just cannot compete at this stage. If the Honourable Member does not want to believe me I will show him documentation, Mr Speaker. When you are able to get a week's holiday for £59 full board and we are charging £500, have we got blue eyes, Mr Speaker, or are we expecting people to come here and see us. The world does not owe us a living and the price difference between Gibraltar and other holiday resorts is not £5 or £10 difference and if the Honourable Member feels as Mr Bossano has said, that we should subsidise municipal services, that is 10%, if we subsidise airport landing charges that is possibly £2 or £3 per tourist. At the most it will be virtually nothing and we are still £300 more expensive than Malta and Costa del Sol. We just cannot compete at this stage, Mr Speaker. When the pound is strong it works against us, when it is weak I think it also works against us but I still have not been able to find what that, the exact degree is. Whether the pound is weak or the pound is strong it does not work either way in our benefit. Mr Speaker, it is no good saying that Government must improve the product. Those people in the tourist industry must also put their share into it and not expect Government to do all their work for them. I was delighted to hear the congratulatory remarks by the Honourable and Gallant Major on the leaflet that Gibraltar has come up with. Let me assure the Honourable Member that that was not done by a Civil Servant, it was not done by the Minister, it was done by the experts, by Honsdales and by Eric Williams and Partner whose services we pay for handsomely. I will also remind the Honourable Member that that particular brochure brought about a collapse of relationship between the Minister and a particular hotel because he did not like what we are paying for. Mr Speaker, I can assure the

Honourable Member opposite, in fact all the Opposition, that there is no attempt here to hide away. We put our money where our mouth is. The taxpayer is paying over £1m towards the tourist industry in Gibraltar and I think that it is no good expecting Government to do every single thing. Government does its fair share and in size I think that £1m for the 100,000 tourists that Gibraltar is obtaining is I think a fair contribution. As I said before it is something like £5 per visitor coming to Gibraltar. Let it not be believed for one second that in today's tourist trade with a recession going around and I think I should also remind members that America is now beginning to drop dramatically, that we cannot expect the tourists to come to Gibraltar unless we rely on that batch of people who come here year after year and even more than once a year through friendship or because they have some particular affinity with Gibraltar. Money is the important factor today in travelling and people are not prepared, Mr Speaker, to come here and have to pay £200 more for a fortnight's stay in Gibraltar despite all we say about Gibraltar and how much we individually like it, people much rather have the £200 in their pocket and go somewhere else where they can get a holiday as good as Gibraltar, and I will say no more than that as good as Gibraltar.

Mr Speaker, I invite the Honourable Member, as he has offered his assistance, to meet me every Thursday morning in the Gibraltar Tourist Office here in Gibraltar in order that he may help put the Gibraltar Tourist Industry on a proper footing. But what cannot be done, Mr Speaker, is living away from Gibraltar, to come here for three days and say that everything is wrong. I have not had one single letter from the Honourable Member on tourism since he has been my shadow on tourism, Mr Speaker, not one single letter. I am the one who is carrying the can here acting for my colleague and where is his assistance, where are all the solutions? No one bothers him in England, Mr Speaker. It is very comfortable to be in England with no one seeing you with problems. As I said before I am prepared to meet him whenever he wishes, Mr Speaker, here in Gibraltar where the product has to be improved, not in England. If the Honourable Member would care to ask the individuals who gave him those terms of reference, when we talk of further tourist expansion, if they agree with further hotels being built in Gibraltar, probably he may have different views, Mr Speaker. I honestly feel that at this moment in time, and I say this with great regret, as much as we may try, Gibraltar has its attractions, we have the sun and so have other places, we are far too expensive and we, the Gibraltarians, many times ask ourselves; "Would I come on holiday here?". Let us not accuse the Government, Mr Speaker, the Government can do no more than its fair share but it is unfair and if the

Honourable Member wishes to stay behind I will give him a list of complaints that we have which are absolutely logical complaints. There are many complaints that tourists make about Gibraltar which are absolutely spot on and when one tells the hotel management they always say they are always right and the customer is always wrong. Incidentally, I do not want to dwell too much on the professionalism of the hotel industry, which has been questioned, and I will say so in the seminar in a few days time, which has been questioned very severely in the United Kingdom. I will just remind members that as much as we would like to see every single hotel bed full in Gibraltar, at a time when it ought to be full, we are actually now in our peak season, the forecast is quite grim and I cannot see people wishing to spend £300 extra a week just to come and see the Rock of Gibraltar or the Loyal Rock apes or ourselves the Gibraltarians, Mr Speaker.

HON P J ISOLA

Mr Speaker, the Honourable Minister has not indicated in his address whether his Government is supporting the motion as amended.

HON H J ZAMMITT

Of course the Government will accept the amended motion, Mr Speaker, and vote in favour of it.

HON P J ISOLA

They support the amended motion I see. That explains a lot to us on this side of the House. How the Government kept very quiet when my Honourable and Gallant Friend moved the motion and awaited the speech of Mr Bossano to get them off the hook as he has done on so many occasions in this House and I do not know what the Honourable Mr Bossano is expecting back after that magnificent gesture on his part. I think that the acting Minister for Tourism rather took a chance in a statement he made just now, that he had not received one single letter from my Honourable and Gallant Friend. He has taken a big chance, Mr Speaker. I suspect he has not because my Honourable and Gallant Friend has been very busy writing hundreds of individual letters to Members of the House of Lords and Members of the House of Commons. And I might also tell the Minister who can listen to me in the Ante Room, I am quite sure that when the final vote is taken on the Nationality Bill shortly, my Honourable and

Gallant Friend will take up this challenge and the Honourable Minister may find himself having to ask the Government for additional staff to help him to reply to the letters. My Honourable and Gallant Friend, Mr Speaker, has shown great energy since I asked him to look after and shadow the tourism side of Government affairs. It has been obvious in this House by the motion, by the questions and even though he may be in Gibraltar not for very long periods, he makes it his job to find out a lot of things that are going on in Gibraltar and to get the feel of the tourism industry. Perhaps it is because he does this so well that the Honourable Minister cannot face a debate in this House and cannot face being told what is wrong with his Ministry and his department. Mr Speaker, let me say to the Honourable Mr Bossano that the motion of my Honourable and Gallant Friend was not the Opposition response to the Defence White Paper. Unfortunately, the Honourable Mr Bossano does not have colleagues in the House and therefore he has to be the shadow of every Government Ministry and that he must find a very difficult job in addition to his Union responsibilities. I suppose he takes the easy way out and finds it possible to support the Government on every possible occasion that he can and embarrass the rest of the Opposition. If that is the way he wants to play politics in Gibraltar he is welcome to it. We think, however, that what is happening today in Gibraltar is much too serious to be treated with the levity that the Honourable Mr Bossano appears to do when somebody else moves a motion. This motion was the response for the person responsible for the tourism industry to the White Paper and I am very glad that he put the motion because what I have heard both from the Honourable Mr Bossano, his wishy washy amendment that means absolutely nothing and merely repeats what the Honourable and Gallant Major Peliza got passed by the House six months ago and nothing has happened, or nothing constructive has happened, I am glad he did it because I think it will show to the people of Gibraltar the slow way in which certain members in the House react to a situation that is going to happen and we see it happening and the quick way in which a person who has responsibilities in this matter to the people of Gibraltar and who say: "Something may happen, for goodness sake let us get the tourist trade at rights now. Let us do something about it. Let us give it meaningful support, let us not just throw up our hands in despair as the Honourable Minister for acting tourism or acting Minister for Tourism, seems to have done". The Minister has said there is nothing we can do, tourism comes to Gibraltar, we are finished. That was his speech, wonderful encouragement, for those people he is asking to collaborate and to support him. Wonderful words for them. Wonderful words of encouragement and then he tells me that

he is going to vote in favour of the Honourable Mr Bossano's amendment that we must give every possible encouragement to the development of this industry and he is saying there is nothing we can do and, anyway, these hotels are not running the place properly, they are not doing this right. He only looks at their faults. He does not look at the failure of the Government to improve the product in this end, at the failure of the Government to provide continuous power supply to the people of Gibraltar and to tourists, making them walk up and down six flights in the Holiday Inn or in the Rock Hotel or at Ocean Heights or anywhere else, and the dirty state of the town, the building my Honourable and Gallant Friend mentioned at Casemates. I do not know whose responsibility that is but there are powers in the Town Planning Ordinance. If it is the Government then I know why it is still in that state because things have not been done and my Honourable and Gallant Friend did say that he hoped that this motion would be a unifying motion and we would like it to be a unifying motion. I think what my Honourable and Gallant Friend when he said: "meaningful support" what he was saying is let us get down to it, he even offered his help, he offered his cooperation. I am not quite sure I agree with that, Mr Speaker, but anyway He offered it. He said let us get down to it, let us get the tourist trade right. And then we get my Honourable Friend Mr Bossano flaunting his socialist principles which he likes to flaunt in the House in a thoroughly impractical manner, saying: "I am not going to give money to anybody because if any money goes it goes to the Government, it goes into sand". That is costing a lot of money but fortunately the Ministry of Overseas Development pays half a million pounds so that does not matter. They give support to inefficient industries as long as it is the Government sector that has it. Not a word for the private sector, not a word for all those taxi drivers who want business in order to keep families, not a word for those people working in the hotel industry who also want to stay in employment, not a word. Do not give money to anybody even though he voted £50,000 for the electricity subsidy or water to hotels today. I know he spoke against it in the Budget.

HON J BOSSANO

He has voted against the amendment that seeks to give encouragement to the industry of which he is accusing me of not being willing to give anything to. If he understands support and encouragement as giving subsidies I would remind him how he objected to previous subsidies that have been given to certain sectors of the industry.

HON P J ISOLA

Mr Speaker, I am coming to that point. I am replying to my Honourable friend that under no circumstances does he want to give any sort of financial support to any private sector, that is against his principles, and what I am arguing is that it seems to be against his principles even if it means the taxi drivers not having work, hotel people going out, hotels having to close in the winter. He still maintains that although a little birdie told me, Mr Speaker, and I do not know whether it is true or not, a little birdie told me, that his Resident Officer in the Union went with a hotelier to see the Chief Minister to see if they could get some help to keep a particular hotel, I do not know if this is the hotel that everybody is saying is going to be closed in the winter.

HON CHIEF MINISTER

That is not true.

HON P J ISOLA

Well, I do not know, a little birdie told me. I do not know whether he went but there was the intention. Well then, the Honourable and Learned Chief Minister obviously knows something about it.

HON CHIEF MINISTER

I am telling you I know nothing about it and that is the end as far as the hotelier and the Resident Officer coming to see me because I know nothing about it and as I know nothing about it there is nothing about it.

HON P J ISOLA

That may be absolutely so, Mr Speaker, and I fully accept what the Honourable and Learned Chief Minister tells me but what a little birdie told me was that the hotel owner and the Resident Officer were going to go and see the Chief Minister. I have not said that they actually saw him, that is what the little birdie told me, because there were going to be sixty redundancies or something in that hotel and the Resident Officer of the Transport and General Workers Union in order to help his members in that hotel, a little birdie told me, was having talks with the hotel owner as a possible approach to the Government. Mr Speaker, I am not going to

say in this House even to appease the Honourable Mr Bossano, that under no circumstances would I agree financial help to the tourist industry. I would not say it because there are circumstances in which I would agree to a subsidy. In the right circumstances I would agree to a subsidy in particular sectors but I would have to look at the results of it, at the effects, not just on thirty employees, not so closely, although I think my Honourable friend Mr Bossano would have to look at it that way whether he likes it or not because his members would be after him if he did not. I would look at it and if it was justified to bring greater benefits and greater opportunity to the tourist industry now in such a low state as far as Gibraltar is concerned, I would do it and I tell him I would do it, but I would have to examine the circumstances closely. I do not subscribe to the view of the Honourable Mr Bossano that you must have everything nationalised and have everything state owned because if I did Gibraltar would soon be in the position that the United Kingdom found itself four years ago when it had to go cap in hand to the International Monetary Fund to bail them out of all their problems.

HON J BOSSANO

Does the Honourable Member prefer the position in which the United Kingdom finds itself today with Margaret Thatcher's policies?

HON H J ZAMMITT

I would be very grateful if the Honourable Leader of the Opposition would explain that if the Hotel Association had cared to have answered the Input/Output questionnaire, then Government would have been in a better position to know their financial situation. I am only putting this Mr Speaker to the Honourable Leader of the Opposition because I think he is glossing over it. Government was unable to find out realistic data of the hotel industry because they refused to cooperate, Sir.

HON P J ISOLA

Mr Speaker, the Honourable Minister may be right, I do not know, I am not here to defend the hotel industry, I am not here to defend anybody, I am here to try and get the Government to accept that if the tourist industry is as important as the Honourable Mr Bossano has found to his surprise after reading the Input/Output Study then it is

important we give meaningful support to the tourist industry. It is the elimination of those two words "meaningful support" from the motion that has raised my ire and I think the ire of my gallant and honourable friend. Because when I am saying "give meaningful support to the tourist industry" I am not just talking of hotels. The tourist industry, Mr Speaker, comprises employers and employees. There are a lot of people who live on that, a lot of families who live on that and I said it in the Budget, that the Government has to be thinking more of the private sector and those who live by it and not allow the divisioning standards between the public sector and private sector to go wider and wider and wider and this motion and the response to this motion from the Government and from the Honourable Mr Bossano is precisely aimed at that. The Honourable Mr Bossano is involved I think with the public sector and the Government but I must not let the Honourable Mr Bossano think for one minute that I do not think he thinks about other people, of course he does, and the Government do, but they seem to be thinking just of those people who are alright, they will tell you they are not, but they are alright in comparison with the private sector. Therefore, Mr Speaker, it is meaningful support and what my honourable and gallant friend did in bringing this motion was to say; "Here is the White Paper, here is some uncertainty, we do not know what it is, but there is uncertainty". Gibraltar is going through a recession in its tourist industry for many good reasons possibly, the reasons that the Honourable Minister has given, but the message of the Honourable and Gallant Major Peliza I think is the right one, is that we have got to make sure that they do buy our goods. We have got to get over these problems, let us study them. The Minister says he spends £500,000 a year of public funds on tourism. That is not money, that he gives, Mr Speaker, to the hotels or to the airlines, it is money that is spread out and meant to bring benefits right through the community otherwise the Government would be very irresponsible to spend half a million pounds on tourism if it wants to put people into the hotels, I would not agree with it, I would go against it, but that is the reason and I would urge the House that if we are in a bad situation in Gibraltar as we are in tourism and we have these question marks in the defence industries, and I hope everything will turn out alright, we must be positive, we must try and get them together, we must meet every day to try and get them together and I think that is what my honourable and gallant friend was trying to do in the motion that he is moving before the House. As far as the response to the Defence White Paper is concerned, as far as the response of the opposition is concerned, Mr Speaker, I will be addressing the House on the motion of Mr Bossano which tries to be a comprehensive motion, this was never intended to be a comprehensive motion, it was intended to go to one

sector of the economy to do something about it, I will give him our policy, in fact, it is not a question of giving it out, I have been putting it out quite clearly on the radio, in letters I have exchanged with the Governor as the representative of Her Majesty's Government in Gibraltar, our attitude to it has been a cautious one, we have been going carefully step by step, and I will explain very fully how we are thinking on this. I do not need a motion from the Honourable Mr Bossano to do it, I do not need a public meeting to do it, everybody knows of the serious implications of the Defence White Paper for Gibraltar and everybody must want where the vital interests of Gibraltar are concerned must want to work together on it, but to work together on it, Mr Speaker, on fundamental things and to get on with it, not to waste time, not to start theorising about the morality of helping private enterprise or not, not theorising about the wonderful achievement that nationalisation could bring for Gibraltar, not moralising, Mr Speaker, on getting the greatest amount of kudos for a political party of one side or the other. These are serious matters and we propose to deal with them seriously, and if people get annoyed about the attitude that we take, so be it, as long as our conscience is clear on what we think ought to be done in Gibraltar. Mr Speaker, I am very, very disappointed with the response of the Honourable Mr Bossano and the response of the Government to a motion by the elimination of the words "meaningful support". I do not think that the Opposition can be party to a motion that is wishy washy, that says "considers that every possible encouragement" - so every thing is left in the air - should be given to the development of this industry. If somebody were to move an amendment on the Government side - we are not going to waste the time of the House moving amendments that are going to be defeated - saying that meaningful support should be given to the development of the industry, then we go along with it at least it will be something but we are not going to waste our time and our votes on an amendment like the one just passed. We shall just have to abstain because if we vote against somebody is going to say that we voted against the tourist industry when the whole purpose of the motion of my Honourable and Gallant Friend is to allow the tourist industry to move forward. Thank you, Mr Speaker.

#### HON CHIEF MINISTER

Mr Speaker, let me first of all say, whether it is believed or it is not believed, and Mr Bossano knows that this is true, that we have had nothing to do with his amendment nor has it been the subject of any discussion at all in this matter. I think people know Mr Bossano better, I will not say whether they know us or not better, than to suggest that this has anything to do with that. He has his views and

sometimes we agree with them and sometimes we do not agree with them. Had it not been for his amendment which is now really before the House and subject to having cleared all the allegations which were made against the Government in what was intended at the beginning to be a unifying motion which finished up with almost a censure motion which is where he went wrong, perhaps if there had not been an adjournment as well and if he had carried on with the tone in which he started the debate, it would have been better, but he came back fortified no doubt by food and drink over lunch and started his old ways of hitting at everybody right and left and of course that kind of attitude is not conducive to endearment and to unity. This is the result and it is the inevitable result of every endeavour of the Honourable and Gallant Major who always starts very well but finishes disastrously. It is a good thing he never had command of an army during the war. If, in fact, the accent has been about hotels, as the Leader of the Opposition complains, it is not our fault, it is the fault of the mover who made the whole basis of his attack on the Minister on the lack of cooperation with hotel owners. He did not say he was not cooperating with taxi drivers, or with cooks, or with waiters, he accused him of not cooperating with the hotel owners and the Minister has been able to show quite clearly that on the fundamentals the people who have not cooperated are the hotel owners when they refused to give information for the Input/Output Study and it is no use your getting up, I am not going to give way. We would have voted for the motion if there had not been an amendment so long as we had cleared the decks on the allegations that have been made against us. But of course his accent was wrong and there I agree with the Honourable Mr Bossano, his accent was completely wrong because it laid a bigger reliance and a bigger emphasis on our efforts at a time when we need to put responsibility where it lies. That is where he went wrong and I can imagine that being busy in England, writing to all Members of Parliament, he has very little time to write a motion which he has to put through the telex to get it in in time. The questions were not in time within the agreed gentleman's agreement but the motion came in time, written in a hurry, perhaps in the Tube as he goes to Westminster, or he is taken round Lloyds by a Member of the House of Lords. During that time he probably writes something in a rush and when he comes here and it is analysed by somebody who likes analysing, it breaks to pieces. That is really the tragedy of most of the matters that come to this House which are really spoilt by the good meaning and good intention of the Honourable Member, but he cannot restrain his criticism and his frustration, I can understand that. So that, really, we are in the comfortable position of having seen the Opposition fighting amongst themselves about what he is going to do, calling each other names, and we have

nothing to do with it except as intelligent observers of the political scene of Members opposite and that is why it has been a very comfortable debate. I hope all debates of this nature carry on like that, and I will do nothing to discourage Mr Bossano from carrying on in this way. But to turn to the more serious matter, I do think that the accent could have given the wrong impression. We accept that, we are at a very critical stage. I can appreciate that perhaps the motion was put with the best of intentions and also appreciate that due to the lack of communication the Honourable and Gallant Member did not know about the other motion which was a more comprehensive one, I can understand all that but really the accent is wrong. The accent is wrong because as I said in my statement yesterday, the responsibility about the result of any changes in defence spending must be laid at the door of those who are responsible. True, we have a responsibility as we have always said, to help ourselves and do our best ourselves, but at this stage to put the burden, and not everybody in England is a friend of Gibraltar, and we have many friends as we have seen the other day, we have many friends but not everybody and not everybody who is in charge of the purses in England are ready to dish out money to Gibraltar and any idea that any undue accent on tourism could be a panacea that might take the place of the sustain and support policy would do us a lot of harm. I know the Honourable Mover has not had that in mind at all, I give him full credit for that. I am sure that if he had thought of that as a possibility he would have found, perhaps, a happier phrase to criticise the tourism, that I do not care, but this is where I agree entirely with the Honourable Mr Bossano that the accent has gone wrong. This is why we have supported the amendment and we would have supported the motion subject, as I said before, to clearing it but I must lay emphasis on the fact that he started by saying that it was a unifying thing and as usual finished up by villifying the Minister, by taking the side completely blindly of the hoteliers, that is what he did in his address, that is what he did, and of course, if you take that kind of attitude you certainly cannot unify a Government and an Opposition. There was a reference about this being a place in which we are all together, of course we are all together, and this has been shown by the high level consultative committee which has been set by the Governor in which all parties are represented, but the Government unlike foreign affairs where we are not our own masters and we have no executive power, unlike foreign affairs, this is a matter which is the responsibility of the Government. Whether it be the responsibility of the Government as it is or in a crisis the responsibility of a coalition is neither here nor there now, it is the responsibility of the Government and as such it must bear this burden. That is why I sought an interview with

Sir Ian Gilmour because the Foreign Secretary was away and that is why I went as Chief Minister. That is why I was not asked by the Leader of the Opposition to come with me and I did not expect him to ask me to come with me. If he wants to see anybody he is free to see whoever is prepared to see him. I went with the Governor because we are the Government and we have to bear the responsibility and that must be clearly shown. I am sure that when Mrs Thatcher goes to see Reagan she does not take Michael Foot with her. One thing is Government responsibility and the other thing is when you have a bi-partisan policy on another matter. Let that be made quite clear. We accept that because that is our responsibility but consultation on a matter of national interest of course is a different matter and Members of the Opposition have received the invitation and the setting up of this Committee from the very beginning, from the time that the Governor gave the alarming news of the Government White Paper and its possible repercussions. There is also on other matters a top committee on the question of how Gibraltar would be affected by the European Economic Community which has not met for a number of reasons recently but where we have been waiting for material and I think there is already a date fixed for a reasonably early meeting. The other point that he has made that does not come clear in my mind as an interested observer of the tourist trade is how much can the Government do to support an industry which is going through a big recession on its own. Even though you double the subsidy and pumped another £2m into the economy you would not get half the result of that. If big nations with natural resources, with riches and so on, cannot cope with the recession of this nature which is worldwide, it is hardly fair to say that a few bits and pieces and a few meetings with the hotel associations is going to solve the problem. This does not mean that we cannot do more and if we can we should or that the Minister is not doing his best but it is again a pipe dream to think, and this is where I think the accent on the motion went wrong, it is a pipe dream to talk about meaningful support. Meaningful support means nothing because it does not specify what it is but we would not have objected to that. I think what has gone wrong in this debate was (a) that the accent has been too much as if we could solve the situation which we are facing, that would give the wrong impression outside and (b) that an attempt in a motion which the mover started by saying that it was a unifying one, was a divisive one immediately he made it a tirade against the Minister by himself in cahoots with the Hotel Association.

HON A J HAYNES

Mr Speaker, in the contribution of Mr Bossano we were

informed of the recent motion by the Shop Stewards which called for new jobs to be by way of direct employment and then Mr Bossano went on to explain what this meant. We were told that the motion was asking that a fitter, for example should be employed as a fitter and similarly a welder as a welder and not as a waiter, am I right?

HON J BOSSANO

The Honourable Member has misquoted me, Mr Speaker. I did not say that the motion said anything about the people being employed as a fitter. I said the Gibraltar Government shop stewards had passed a motion saying that if the Gibraltar Government was going to spend public funds in creating any new jobs without specifying what those jobs were or where they were going to be, then that money should be spent in creating the jobs by employing people directly and not by giving the money to a private firm to expand and so create the jobs, that is all the motion said.

HON A J HAYNES

I am grateful to the Honourable Member for his explanation but I nevertheless remember his remarks that a fitter should be employed as a fitter and not as a waiter and that is what he meant by direct employment. This demand or decision by the shop stewards is worthy of analysis, this idea of direct employment. Immediately, one can appreciate the common sense behind such a motion. Of course it is preferable to employ a skilled labourer for his skills and not to minimise his capacity by employing him as a manual labourer. One should remember also that it would be demoralising for the skilled worker to be employed in a more menial task or an employer to hide the talents of his employees under a bushel would appear to make little sense and of course the time and expense incurred in training a skilled labourer would have been wasted. Perhaps against these arguments in favour of direct employment which I think is very relevant to this motion, we must consider whether the time has come when our views and those of all Gibraltar must be reviewed and revised. Mr Speaker, Hobson's Choice springs to mind here. If the case is one of either manual labour or unemployment the answer must be any job is better than none. There is no alternative, unemployment is not an alternative and if it has come to this pass then the ideas of direct employment, however pretty they may be, go by the wayside. We are in troubled times and it is in this knowledge that the original motion before the House was brought to this House and it also underlies the declaration stated by the Honourable and Gallant

Major that there should be unity in the House. I do not think it is fitting for a Chief Minister to be derisive of those offers which were genuinely meant. The motion therefore called on the House to build for the future. Previously we heard Major Peliza state that he was not an advocate of expansion for its own sake because expansion in those terms would bring allied problems of housing, of social security and of a general strain to the general services by increased immigrant labour and similarly Mr Bossano echoing those thoughts referred to, skilled labourers being employed as cooks and since those skills are not readily available in the local population it meant importing foreign workers. Major Peliza stated that in normal circumstances with a stable economy he would not look for expansion along those lines. He would only encourage expansion if it came as a result of greater productivity. The time has come to make decisions for the future. The Dockyard we know is in the balance. It does not matter that the Dockyard eventually should survive as we all hope it will, the time has come now to start making alternative plans, alternative strategy. I do not believe that the motion before this House provides that alternative strategy or indicates its interest in alternative strategy. The motion before the House would lead us to believe that Mr Bossano did not realise that tourism was important until he read the Input/Output Study. Tourism as we all know and we did not need the Input/Output Study to tell us, is the major growth industry in Gibraltar.

#### HON J BOSSANO

If the Honourable Member will give way. I did say specifically that in fact I had been surprised by the degree, the magnitude of the importance that the tourist industry had in the economy. In fact in the light of the information we have been given that there was very little cooperation from the industry, it may well be that the Input/Output Study is exaggerating the importance in the industry and that my original assessment was right because if the industry has not been cooperating the Input/Output Study may be inaccurate.

#### HON A J HAYNES

The Hon Mr Bossano seems to be undermining his own motion at this stage Mr Speaker. But, regardless, because I dismissed the validity of that amendment, I would state that tourism is the major growth industry of Gibraltar and that as such it is the only industry that could bear Gibraltar's future as an alternative economic source. If we are going to build on an alternative other than the Dockyard it must be in tourism or

at least at the moment there is no other alternative and therefore, Mr Speaker, we have to invest in the tourism industry in spite of the problems that it may bring. This brings me to the second point of analysis which can be derived from the shop stewards' motion which is asking for direct employment. I would have thought it is implicit from that motion that they were anticipating, perhaps, Dockyard cuts and that the motion and the fear expressed in that decision did not originate in the Input/Output Study but in the fears that we all hold as regards the Dockyard. It is for this reason, Mr Speaker, that I find the amended motion detracts from the original motion. Thank you, Sir.

#### HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, Sir, I had not intended to intervene in this debate, three cornered as it were, however, I want to make clear one point. It has been said and correctly, that the Hotel Association did not cooperate with the Input/Output Study. This, of course, as members will know was an independent study, independent of the Government, and funded by ODA and obviously the leader of the team called on me as he did on other persons to discuss the study. I know that he was disappointed because the Hotel Association felt unable as an association to cooperate fully with the team. However, certain hotels did provide him with information when he called upon them, and adequate information which I believe in the view of the leader of the team, would give a sufficient indication of the importance of the hotel industry within the economy of Gibraltar and so I hope that it will not be thought that because there was not total cooperation that the information received was so inadequate that it cast doubt on the figures reflected in the report. I just wanted to make that clear, Mr Speaker. Thank you.

#### HON P J ISOLA

I am very glad that this explanation has been given by the Financial and Development Secretary. I think that the Honourable and Learned the Chief Minister should be invited to amend his remarks about the hotels.

#### HON CHIEF MINISTER

What I said was that the mover of the original mover was basing himself on behalf of the Hotel Association which as an association had not cooperated. That is borne out by what the Financial Secretary has said.

HON P J ISOLA

Mr Speaker, if I may ask at least for the Chief Minister to say that his reference to the hotel association was exclusive to that association and did not intend to cover hotels that did in fact cooperate with the Input/Output Study.

HON CHIEF MINISTER

Of course, I have no difficulty in making that clear. As far as I am concerned I have no vested interest in clearing the matter. Of course this statement which has been made by the Financial Secretary I fully support.

HON MAJOR R J FELIZA

I am sorry to say that the Chief Minister has reduced this debate to a farce, that is what he has done, by the way that clownishly, Mr Speaker, he has tried to speak in reply to what I have said not only that, Mr Speaker, he has invented all sorts of things which I never said which suited him to make a stupid, silly, nonsensical argument and that is that I ever referred to the hotels. I never referred to the hotels except to say that there were rumours that one of them might be closing down this winter but in every other case if he looks at Hansards he will see that I was referring to the representative bodies of the tourist trade and so on and so forth but never specifically at the hotels because we are not talking, Mr Speaker, here about the hotels. What we are talking about, Mr Speaker, is a sum of £11,492,000 which is the income of the industry to Gibraltar not to the hotels and this is why I think the industry is important, it has nothing to do with whether the hotels make money or do not make money, it is a fact that that amount of money, £11m plus, is coming in to the economy of Gibraltar, giving jobs to people in Gibraltar, generating economic activity in every sphere of life in Gibraltar, that is what I am talking about and it is very, very sad, Mr Speaker, that the Chief Minister should reduce that very important factor of our industry to a farce. Mr Speaker, in the hope that the Government realise that if we invest in this industry we are not investing in those who actually own the business in whatever sphere they may be, hotel taxi drivers, bar restaurants, retail shops in Gibraltar, call it what you may, we are not investing there, what we are investing is in jobs in Gibraltar and the welfare of the people of Gibraltar and the amount of tax that gives to the Government to be able to employ in the Social Services etc., that is what we are talking about. Whatever the hotels may have done I do not know, they may have given information or they may not have given

information but within the information that this team received we have very important facts available to us which I hope the Minister will make use of and then perhaps he will understand why I am so vehement in trying to get the Government to move because in November last year I put a similar motion and nothing happened and I have had to dress it up with the possible repercussions of redundancy in the Dockyard in the hope that we will be able to do something about it now in a meaningful way. It is obvious, Mr Speaker, that if the Minister knows what this implies perhaps he will take the matter much more seriously and will not throw the towel in as he seems to have done here today. In fact, the Chief Minister should take very careful consideration as to whether the Minister believes that he can do anything about it because the way he spoke today gives the impression that he has given up all hope of being able to improve the situation of that industry and if this is so I think it is honourable of him to say so and ask somebody else to take over the responsibilities because he believes that he cannot do anything about it and if he does not do so I think the Chief Minister himself should give consideration to it after what he has heard here today. It seems that the Minister believes that he has done everything possible and everything possible means a reduction of 30% or 40% of income of the tourist trade in this coming year. Mr Speaker, in the retail trade alone the amount spent is over £900,000. What does the Chamber of Commerce think of this? What does Gibraltar as a whole believe? That in itself is paying import duty, it is paying rates in the . . .

MR SPEAKER

You must not raise new factors in reply.

HON MAJOR R J FELIZA

Very well, Mr Speaker, the figures are available and I hope that they study them because it is an eye-opener. I will go further than that and say that it is a great pity that there is no understanding between the Minister and the hotels. The way that the Minister has been speaking here today about the attitude of the hotels shows that there is absolutely no understanding between them and this is why I have been suggesting.

HON H J ZAMMITT

If the Honourable Member will give way. Mr Speaker, that is not so, in fact, the Honourable Member knows that I have had something like six meetings with the Hotel Association

and with the Advisory Board and I get on with them but I am not prepared, as I said in my address, I am not prepared to give them lip service. If I feel there is something wrong I have told them without any ambiguity.

HON MAJOR R J PELIZA

Mr Speaker, whatever he may have told them, what he has said in this House, Mr Speaker, gives the impression that there is enmity between him and the hotels, that is the impression I gather and if it is not so I think next time he speaks in this House in that respect, he should try and couch his words in a different manner. The fact that it has not been possible to agree not only with the hotels but with all the others, to an Advisory Board to which he himself has been committed shows clearly, Mr Speaker, that there is no understanding between the Minister and the remainder of the tourist bodies in Gibraltar and that, Mr Speaker, puts at risk £11m of our economy plus, and this is what we have safeguard. I am not saying subsidise the hotels, I have never said that but what I say is, if we have to use more money than we have put into the estimates now to make sure that this industry flourishes, then I think we have got to work it out mathematically and ask ourselves whether it is in the interests of Gibraltar that instead of getting £11m coming in we only get £5m or £6m, or is it better to spend another £1m and make sure that we do get £11m coming from the tourist industry regardless of where it goes because if you are going to reduce this by £5m or £6m we are going to have serious problems in this particular industry and we are going to have serious problems of employment in Gibraltar, this is what I feel. I feel very sorry, Mr Speaker, that it has been impossible to convince the Government to support this motion. I totally disagree with the Chief Minister that there is any implication whatsoever that in this motion if we do support it we are going to take over responsibility for whatever redundancies there will be in the Dockyard. No one can read that in the motion and certainly no one can read it from the statement that I made in this House where I made it absolutely clear that the responsibility is that of Her Majesty's Government. I have even mentioned the Governor and our local Constitution and I stated and restated the policy of my Honourable Friend the Leader of the Opposition which is obviously the policy of the Party that I belong to and perhaps I should say this so that there is no ambiguity whatsoever in the people's mind that we in Gibraltar should not accept "support and sustain" in whatever manner it may come before we know whatever industry is going to replace whatever redundancies are brought about is going to replace the effects of the redundancies until that

has been implemented and we know that Gibraltar will be able to exist under the new circumstances. That, of course, Mr Speaker, does not mean that we in fairness should not try and help ourselves as much as possible and all I am saying with this motion is that we have something that if we put our shoulders to the wheel it will at least, if we are convinced that we are going to make it work, if we are not convinced that we can make it work we might as well give up, but if we are convinced that we can make it work then we should try hard, this is what I tell the Minister, do not give up, he seems to me that he has given up and of course I offer my services. I will certainly offer my services if he were to accept the recommendations of the tourist trade in Gibraltar to include that particular Clause 23. If he does that he has my full support and I will, if necessary, sit in that Board if he wishes me to do so, I do not suppose he does. Of course, he would have to arrange it so that it meets when I am here in Gibraltar and also of course if there is anything that he wants me to do in England where, after all, is where the whole of the business is, I will also do it. The business comes from Britain, whether we like it or not that is where it comes from but, anyway, be that as it may, if he accepts that clause which has been proposed by the tourist trade in Gibraltar in the Advisory Board he has my full support.

Mr Speaker then put the question in the terms of the amended motion which now read as follows:

"This House considers that in the light of the importance for the economy of Gibraltar of the Tourist Industry revealed by the Input/Output Study, every possible encouragement should be given to the development of this industry by working in close cooperation with the interested representative organisations of this industry".

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

The Honourable I Abecasis  
The Honourable J Bossano  
The Honourable A J Canepa  
The Honourable Major F J Dellipiani  
The Honourable M K Featherstone  
The Honourable Sir Joshua Hassan  
The Honourable J B Perez  
The Honourable Dr R G Valarino  
The Honourable H J Zammit  
The Honourable R J Wallace

The following Honourable Members abstained:

The Honourable A J Haynes  
The Honourable P J Isola  
The Honourable A T Lodd  
The Honourable Major R J Peliza  
The Honourable G T Restano  
The Honourable W T Scott

The following Honourable Member was absent from the Chamber:

The Honourable D Hull

The motion, as amended, was accordingly passed.

MONDAY THE 13TH JULY, 1981

The House resumed at 8.30 am..

HON J BOSSANO:

Mr Speaker, I beg to move the following motion of which I have given notice:

"This House is concerned at the possible impact on the economy of Gibraltar of any reduction in the level of activity of the UK departments and considers:

- (a) that as a short-term measure Her Majesty's Government should undertake to maintain the present level of expenditure in Gibraltar until an alternative economic strategy has been developed;
- (b) that Her Majesty's Government should undertake to provide the capital investment required for any diversification plans;
- (c) that Her Majesty's Government should release to the Gibraltar Government such land as can be shown to assist the economic development of Gibraltar without any changes or re-allocation costs",

Mr Speaker, the news of the closure of Chatham, the virtual closure of Portsmouth and an unquantified reduction in the level of the Gibraltar Dockyard which burst upon us a few weeks ago, can be seen to have extremely serious implications for the economy of Gibraltar and reference has already been made in another motion to the Input/Output Study and the fact that this study now provides us with detailed information of the ramifications of one sector of the economy for other sectors. The first paragraph of my motion, therefore, draws attention to the need that there is to consider how a reduction in the expenditure of the United Kingdom Departments will affect the economy of Gibraltar as a whole. There is no doubt in my mind and certainly there is no doubt in the mind of Trade Union leaders in the United Kingdom, that it is the intention to reduce the Dockyard and the level of work for the Dockyard in Gibraltar and I think that point has to be made clearly because it seems that the phrasing of the White Paper has led some people in Gibraltar to draw the conclusion that there may or may not be a reduction because in the White Paper it says that if work cannot be provided for the Gibraltar Dockyard indefinitely then other ways of helping the economy will be looked at. What precisely is it that the White Paper is telling us? One may make the mistake of reading words too closely, Mr Speaker, but to me what the White Paper says is that if no work at all were to be provided because it does not specify at which point in the level of work, at which point in the envisaged reduction the mechanism bringing in assistance in some other form will be treated, it does not say if there is any reduction at all in the level of work then that reduction will be made up some other way. I think that interpretation has been put on that and therefore there has

appeared to have been a conflict between what senior management in the Gibraltar Dockyard have had to say and what the Minister for Defence has said in the Commons. As far as I am concerned I don't see such a conflict because in fact the senior officials of the Navy have been told that they have to meet a target of cuts amounting to £7½ thousand million and within that figure of £7½ thousand million there is included a figure for savings from a reduction of activities in Gibraltar. At this stage the figures are tentative for Gibraltar perhaps more so than in other areas but even in other areas they are tentative because the final package to a certain extent is being left to the people in the Navy who are expected, obviously, to try and arrange the resources that they have been left with the maximum advantage in meeting the needs of the Navy and in looking at Gibraltar their consideration is exclusively that. They are not looking at Gibraltar from the point of view of how it will help or not help the economy of Gibraltar, they are not looking at Gibraltar from the point of view to support and sustain, the Navy has got no commitment to support and sustain Gibraltar, they are looking at Gibraltar from the point of view of the assets, the resources that Gibraltar can offer the Navy within a cash ceiling compared to alternatives elsewhere and trying to maximise from the Navy's point of view the benefit they gain from those resources. It is in this context that the reference made in a circular sent out to branch and section secretaries of the IPCS on the 26th of June, it is in this context that the preference to Spain has got to be understood. The note in that circular signed by the Deputy General-Secretary of IPCS Mr Bill Wright, said that it was the intention of the British Government to give up the Dockyard subject to further discussions with the Gibraltar Government and Spain. Mr Speaker, just as the Hon and Learned Chief Minister took the opportunity of seeing Mr Gilmour when he was in London, I took the opportunity of seeing Mr Bill Wright and Mr Bill Wright is in no doubt at all that in the meeting with Mr Nott a reference was made to Spain as well as to the Gibraltar Government and the reference to Spain was in the context in which I have just said, that the Navy is looking at the cuts, and the consultation with Spain was a consultation as to the facilities that Spain might be in a position to provide the British Navy with as a result of her membership of NATO. In looking at the money that the Navy has got available and in looking at the alternatives that the Navy has got available, clearly, as far as the Navy is concerned, what they can obtain in this part of the world which is comparable to what they can obtain in Gibraltar, is something that will be looked at from the economics of the Navy's own operations and what Trade Union leaders were told, what Mr Wright was told, and this was confirmed to me by people from other Unions who were also at that meeting, was that it was a definite intention to run down the Dockyard very substantially and the extent to which it was going to be run down was qualified by two factors, one, the need to hold consultations with the Government of Gibraltar as to the timing and so on of this rundown because the Dockyard played such an important role in the economy, and also the need to consult with Spain as to the facilities that would be made available to Britain once Spain was in NATO because this would

determine to some extent the use that might or might not ultimately have to be made of the Gibraltar Dockyard. That is the recollection that Trade Union leaders have of what went on in this meeting. If that recollection differs from the recollection that a Minister of Mrs Thatcher's Government has of what went on in this meeting, then I am afraid as far as I am concerned I trust the recollection of Trade Union leaders any time of the day, others may choose otherwise. One is not capable, Mr Speaker, of judging who is right or wrong or who is telling the truth without being there but as far as I am concerned I can tell the House that if any Member here can give me a rational explanation why a man who has never been to Gibraltar, who has got very little connection with Gibraltar should send a circular to all his sections in the United Kingdom inventing a reference to Spain which never took place, then I am prepared to give way and bear that explanation, Mr Speaker, but certainly I can see no logic why three or four Trade Union leaders from different Unions should invent a reference to Spain in the context in which I have described it. Mr Speaker, I am telling the House the information that I have available to me and it is information that any Honourable Member can write to the individuals concerned and get the thing confirmed. I was told verbally by those who had attended the meeting and they have a very clear recollection of what went on, whatever Mr Nott may remember of the meeting now, and I have no reason to believe that they would be lying to me or lying to their Members in Gibraltar. It may be that Mr Nott didn't say or wishes he had not said it but certainly one can see how such an explanation divorced from its political importance for us, looked at exclusively from the point of view of the Navy, would make sense to the Navy given that they are operating within extremely rigid cash limits, they have been given a job to do and they are not being given the resources to do it, Mr Speaker, and they are being pressured into a situation of trying to draw every drop of activity out of extremely limited resources, being asked to cut and to maintain the role of the Navy and there is no doubt at all that this is a political decision, it isn't as clear a strategic military decision as we have been led to believe in Gibraltar. Certainly the Trade Union Movement in the United Kingdom and the Labour Party in the United Kingdom does not accept that it is a question of military strategy which is self-evident and which any Government would equally have decided. The way that it is seen in the United Kingdom is that it is a clear, political decision of saying we want to go in for a massive escalation in the use of nuclear weapons and consequently that carries with it a price which economically Britain cannot afford and in order to afford it we are going to cut down elsewhere within the Defence budget to finance the Trident Missile programme and the fear of Trade Union leaders in the United Kingdom is in fact that in the light of previous experience with such things as Concorde, the cost will be an escalating cost and the cuts will be escalating cuts and if that is a view in the United Kingdom, it is a view we cannot ignore in Gibraltar because whatever initial impact we may have here based on the original estimated cost of Trident, we may subsequently find that the budget available for Defence expenditure in Gibraltar will be coming under constant and increasing pressure year after year.

Certainly that is the expectation of the Trade Union Movement in the United Kingdom if the British Government cannot be deflected from the course it has embarked on in defence and the experience of the British Government's determination to continue whatever course they embark on in every other sphere does not lend much optimism in thinking that they will be able to be persuaded to change their minds on this one. Therefore we have, I think, to react to a situation where this has been sprung on us and we have to take it that it is going to happen regardless of the opposition that is put in the United Kingdom and regardless of any opposition we might put in Gibraltar and certainly there would be very little we could do in Gibraltar on our own to change the view of the British Government having made this decision which they must have had clearly a lot of thought devoted to because it is something that is opposed even within the Services itself by very high ranking people who cannot accept, as one Trade Union leader put it in the United Kingdom, that Britain has got some secret weapon which has made her aware that surface ships are obsolescent when the United States and the Soviet Union are increasing the numbers they have. Therefore, Mr Speaker, that is the background that I put before the House as to the problem that we face. Let me say that the Honourable and Learned Leader of the Opposition said that the Opposition's reaction to this was that there should be no cuts until the alternatives that were going to replace the cuts were ready for implementation. I think, perhaps he will no doubt spell this out when he makes his contribution, but if we mean by no cuts that the amount of re-fitting that is being done in the Dockyard must continue being done, then that is a non-starter because in fact if the ship is going to be scrapped like the Leander Class frigate that was due to move into the re-fit in the Dockyard the next one to be slotted in following HMS Galatea which is now under re-fit, if that is due to be scrapped there is no way we are going to convince the British Government to re-fit it before it scraps it in order to keep us going so I don't think that we can talk about them maintaining their present activity and this is why my motion does not call for this, it calls for the maintenance of the present level of expenditure and another reason why I talk about the level of expenditure in the positive side of the motion, that is the side of the motion that makes specific proposals, is because the reduction of expenditure as can be seen by the Input-Output Study, has got an impact on Gibraltar's economic life even if there are no local jobs at stake. The economic impact of the expenditure pattern of the United Kingdom households in Gibraltar accounts for 11½% of total final demand of the private sector in Gibraltar. Again, a figure that surprised me as much as the figure on tourism surprised me, Mr Speaker, and I make no apologies for this. I think before we had this study it was a question of personal judgement what was the effect of one sector or another sector and I backed my judgement which obviously was different from other people's. There must have been people who thought it was greater, there must have been people who thought it just right and there must have been people who thought it was less like I did but I make no apologies for discovering that a very thorough economic study using a methodology that I was unfamiliar with but which I think proves to be extremely valuable, this technique of Input-Output analysis proves, shows, produces evidence which gives us a clear

cut and definite picture of the state of the economy at one point in time and therefore when we are looking at the level of expenditure we must look not only at the locally employed labour but in fact at the United Kingdom based labour which make a very substantial contribution to the demands made on sales in the private sector. They are important customers of the private sector and I can tell the House that even before this enormous reduction in conventional defence spending and we must be clear about that because it is no good saying that defence spending is going up, yes, defence spending is going up but conventional defence spending is coming down and we depend on conventional defence spending because we have got no nuclear armaments factory in Gibraltar and I am glad that we haven't because I certainly would not like to be in that prime area of aggression in the event of a war, obviously the first area to knock out is the armaments industry. In the case of Gibraltar, as I say, before this new reduction in conventional defence spending, because of the cash limits and the need to stay within the cash limits, the PSA, for example, was already having to cut down on a number of jobs in Gibraltar and there, by agreement with the Trade Unions and because it made sense, in fact, to the employers as well, because the UK based is a more expensive commodity than the local employed worker because he has to be paid overseas allowances and be given accommodation, the cuts were being taken in UK based workers and out of 42 industrial workers employed in DOE who are UK based, we are now down to 30 and we are due to eliminate the remaining 30 completely by 1983. This is without the effect of this latest announcement on cuts and 42 jobs in UK based means quite a lot of money in terms of loss of customers for the private sector of Gibraltar. In the case of the DOE, Mr Speaker, who would then be faced with a new round of cuts because the Regional Director has made it absolutely clear to the Unions here in Gibraltar that once he knows the extent to which the Navy is cutting back its operations in Gibraltar and the extent to which the requirements of the Navy are going to be reduced and consequently the amount of money that the Navy has got to spend with the DOE is reduced, the DOE itself will have to cut down because in fact what the PSA does is it provides a service to the Ministry of Defence in Gibraltar to the three Services, to the RAF, to the Navy and to the Army. It provides a function in a way, in fact, in which the Committee of Inquiry into the Public Works was suggesting the Government might consider doing so that the Services who are the customers of DOE actually have got a budget to spend in their own area and engage the DOE to carry out a job for them within that budget. If the Navy budget goes down for direct activity in Gibraltar then the Navy budget for servicing that activity will go down and therefore the money available to the DOE from the Navy will go down therefore the DOE itself will need to cut down and the DOE has already cut its UK based staff to the bare minimum and therefore in the case of the DOE any further cut in jobs will inevitably have to be in local jobs, there is no other way the DOE could do it. I am giving that Mr Speaker, as an example of how once the details are known we will see the impact affecting the relationships within

the UK Departments themselves and that it is not something that is limited to the Dockyard, hence the introduction to the motion refers to activity of the UK Departments and not of the Dockyard alone because although the Dockyard is a theme that has been at the forefront because we are losing the refit programme, it is the whole of the activity of the UK Departments that is at stake. Therefore, although this House is not in a position itself to resolve the problem, and I think that must be made absolutely clear, we have got a responsibility to the people of Gibraltar who put us here to look after their interests and fight their case but the responsibility for resolving this problem cannot be with the Government of Gibraltar or with the Gibraltar House of Assembly, we have got a responsibility to come up with positive ideas as to how it should be solved but we are already in this House, Mr Speaker, had presented to us the agreement with Midland Bank to raise £6m for capital expenditure. The Gibraltar Government cannot afford to go on increasing its borrowing requirement when its source of revenue is being threatened, when its cash flow is being threatened it cannot afford and, indeed, its credibility as to whether lenders would be too willing to do it if the level of expenditure of the UK Departments was on the way down, people would ask: "Well, how are you going to repay those loans and how are you going to service those loans if the money that you are getting today is based on taxation being paid by employment provided by the UK Departments?" I think that would be the sort of question the Government would come up against and therefore we who are responsible to the people for the good running of the economy of Gibraltar and it is in the Constitution, it is the ultimate responsibility of the Governor as the representative of Her Majesty's Government that the maintenance of the financial stability of the territory is the ultimate responsibility of the Governor but the people would look to us if the economy went into a drastic downturn and we had unemployment and we had real hardship in Gibraltar, they would look to us and they would hold us responsible, Mr Speaker, and therefore we must in turn look to Britain and hold Britain responsible because we have been suddenly presented with a problem which, quite frankly, none of us could expect and none of us had any reason to expect. I can tell the House that in the seven years that I have been an official of the Transport and General Workers Union, every Chief of Fleet Support that has come to Gibraltar, every Chief Executive of Dockyards that has come to Gibraltar has told me and the other Union leaders, "You have got absolutely nothing to worry about, there is work for the Gibraltar Dockyard into the foreseeable future"; and we have been told that Gibraltar has got a good record on quality but that it was important for us to introduce procedures to improve output, to improve productivity because there was plenty of work and the reaction of the Unions in Gibraltar has always been: "We are prepared to cooperate in introducing new management techniques, in introducing new methods of working". We have cooperated more in Gibraltar than they have ever done in any UK yard I think primarily because we have had the advantage of having an integrated Union in Gibraltar representing the entire industrial labour force whereas in the United

Kingdom you have got 16 different Unions and you have got to get the agreement of 16 different Unions every time you want to introduce anything new but we have been able to move quicker on things like, for example, the DEL planning scheme in Gibraltar which was introduced in a period of some 18 months whereas in the United Kingdom it is still not nationally introduced and they have been at it for 10 years. We have always made the point, Mr Speaker, that we are prepared to cooperate in improving output provided improving output results in more work being provided and not in less jobs being provided and we have always been told that there was a backlog of work, that there was plenty of work, that as long as Gibraltar could handle more work, more work would be sent in and in fact it was only a year or so ago that they introduced additional work slotted in between the main work of the Dockyard of the two leander class frigates. In that context I think we are perfectly entitled to turn round and say to the British Government: "Look, you have been giving us to understand over the years that we had absolutely no reason to prepare ourselves for the sort of dramatic turnaround in policy that you suddenly presented us with and therefore you cannot expect us to be ready for this because you have told us always consistently, year after year, that we could look forward to continuity of work and it isn't that we have been negligent in that respect it is that we have been doing what you have led us to believe we were entitled to do and we have shown, in fact, our willingness to allow other work to be turned away from Gibraltar because we place such a high priority on the links with the United Kingdom and on the service that we provide the United Kingdom with and if that service is no longer required we cannot expect it to be maintained artificially for our benefit but we can certainly expect that if it is no longer required we should be given sufficient time to make whatever adjustments are necessary and sufficient help to make such adjustments without placing the burden of the adjustment on our own people." This is the broad policy which I am asking the House to support so that we can go with this policy, with this thinking, to the British Government as the united view of the House of Assembly representing the whole of Gibraltar, Mr Speaker, a view which I think will find support from both sides of industry in Gibraltar, from the Trade Union side and from the employers side and therefore it is this that the clause (a) in my motion spells out. Going on from that, if once we start working on the nature of the changes our economy may require we find, we do not know precisely what it will be, but if we find that there is a substantial injection on capital required, then it is again to the British Government that we must look and I think in this context the delay in giving Government a reply on the Development Programme is, quite frankly, reprehensible I think. It has always been a bad thing the way that there have been these delays which then the Government has got to answer for here but now it is even worse given the big question mark hanging over Gibraltar's economy but, clearly, we could not afford ourselves, as I mentioned earlier, in the context of the significant increase in public sector borrowing that we have engaged in already, we could not

ourselves afford from public funds in Gibraltar to into a massive capital investment programme without the bulk of it being provided by the United Kingdom. Clearly, at the same time and I am talking here, obviously, about public sector investment, at the same time what the Government can do and what I thought I was pointing to in the amendment I moved on Friday Mr Speaker, however wishy-washy it might have appeared to the Honourable and Learned Leader of the Opposition, was in fact that in the case of the private sector what the Government must do is give encouragement and not money. When we are talking about investment as far as I am concerned, if it is Government investment, whether it is funded from Government's own resources or from money from the United Kingdom then that investment must be made on behalf of the people of Gibraltar by the Government of Gibraltar. If we are talking about private sector investment then I think that the Government has got an obligation to do is to give every possible encouragement and that is not sit an applications for six months, not try and find reasons why the answer has got to be no, but try and overcome the obstacles that may exist so that it is possible to give a positive and an affirmative answer to private sector developers who want to put their own money into development in Gibraltar, I think that must also be a major plan of Government's policy in this respect and that is what the motion that this House passed on Friday seeks to do. The third point, Mr Speaker, which is related both to public sector investment and private sector investment is the question of the release of Ministry of Defence land to the Gibraltar Government without any payment of costs I had a number of questions in the earlier part of the House precisely to draw attention to this, Mr Speaker. There is the question of the shed for which the Government has been asked to pay £200,000 which is clearly something that the Ministry of Defence will try to do particularly now that it is under such financial restraints, the Ministry of Defence will try and get every single penny that they can from the Gibraltar Government or from anybody else. They have the same problem with local authorities in the United Kingdom, Chatham itself is fighting the same fight, Chatham is saying that if they are going to close substantial areas of MOD activity in Chatham then let that land be passed over to the Local Authority in Chatham so that the Local Authority can develop and the MOD is saying: "No, this is our land and we want to hang on to it and if you want any of it you have to pay us for it", obviously, because if they have to find economies of £7½ thousand million then any money that they can raise by selling of assets that they can no longer use is going to help them in their problem of meeting that target. We cannot expect the Navy or the MOD quite frankly to put up a fight for us. They will put up a fight for themselves and they will carry us with them when we are both fighting for the same thing. I am sure that the Navy would support completely the strategy if we decided that that was the strategy that we should follow, and if any Member thinks that that is the strategy we should follow I am open to being persuaded that this is the wrong way to tackle it but if we decided to follow the strategy of saying: "No, we want the Gibraltar Dockyard kept going at its present level and

we want the Navy to be provided with additional funds by the Government to enable them to do it, the Navy would be delighted." What they cannot do and what they will not do is take away money from somewhere else to keep Gibraltar going, that there is no hope of getting but in fact if the British Government was prepared to say to the Navy: "Out of the economies we are expecting you to do, anything extra that you spend in Gibraltar will be reimbursed to you over and above the budget you have already been given", then we would have no problems. That strategy I think is a non-starter but if it were possible it is one that we could take up jointly with the Ministry of Defence and make joint representations to the British Government but if we are saying the opposite then I am afraid we shall have to disagree with the Ministry of Defence as to what they are entitled to charge us and our position must be that Gibraltar Government cannot be charged and if in the final analysis the Ministry of Defence will not accept that then there must be a book transaction where a different arm of Her Majesty's Government pays the MOD for the assets that they have to give up in Gibraltar but it cannot be Gibraltar money that pays for it. I think that that is fundamental and I think also that it is fundamental that the MOD be made to understand that much as we love them in Gibraltar we cannot have a situation where they hang on to things which were last used a century ago because they claim that it is essential to defence expenditure today, guns that were last fired in the Peninsular War, and then suddenly because they have not got the money to keep on painting that old gun, out of the blue they say to the Gibraltar Government: "Here you are, it is all yours, you have it now." "We have it when we need it not when it suits you", that must be the message that must be put to the Ministry of Defence and the message must be put in a way that makes it clear to them that we are not saying: "Brits go home"; that we are not being anti-British, nor are we being anti-MOD because that is not the feeling of the overwhelming majority of the people of Gibraltar, it may be the view of a very small minority but I think it is such a small minority that we don't have to give it serious consideration, it must be clear that all that we are doing is standing up for our rights and not showing unnecessary and unjustified animosity towards the MOD. I think, Mr Speaker, that the motion that I have put before the House seeks to give comprehensive coverage to the nature of the problem that we have and positive solutions to the reaction that the House of Assembly should present to Her Majesty's Government. I commend the motion to the House.

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

HON CHIEF MINISTER:

Mr Speaker, as usual with the Honourable Member he has put the finger on the essential elements of the situation and there will be very few, if any, in Gibraltar who would disagree with the desiderata which he has listed in his motion and with many

of the items that he has particularised. It is, however, one thing to identify the problem and the essentials of a problem and quite a different thing is to judge the way in which that problem should be tackled. I think I should tell him to set his mind at rest straight away that we will be voting in favour of the motion and that we will make no attempt to amend it in any way. However, honesty demands that I should on behalf of Ministers spell out some reservations on the terms of his motion, and explain how our affirmative vote is qualified by some practical and responsible approach to the matter. We entirely agree that HMG should undertake to maintain its present level of expenditure in Gibraltar until an alternative economic strategy has been developed and I have been particularly impressed in this respect with the arguments that he has adduced this morning that having regard, as the

Chief of Fleet Support only told us last week, he had continuously been coming here to say: "There is plenty of work for you" until now and it was not his fault if he could not say the same thing. The House will have noted from the statement which I made on the 9th July that following with my meetings with the Lord Privy Seal on Tuesday 7th July that this point had not escaped me. In that statement I said "If, however, a reduction in the workload of the Dockyard was inevitable, we would wish to be given the earliest possible notice as well as adequate time to enable us to plan and introduce smoothly the development of alternative possibilities without a damaging hiatus." In reply to the Leader of the Opposition I made it clear several times that I had been assured that everything possible would be done to avoid the damaging hiatus and sub-paragraph (a) of the motion seeks a similar assurance. Before I deal with sub-paragraph (b) I would like to speak about the question of the reference to Spain in the report by Mr Bill Wright. I wish I were in the same position of Mr Bossano to think that everything the Trade Unions say is true, that I could say that everything the British Government says is true, all I can say is that I was given that firm assurance that in the question, and I am not qualifying it I am saying it exactly the same but, perhaps, there could be some element of misunderstanding, that on the question of the effect that it would have on Gibraltar Spain didn't come into it, Spain had not been consulted which was the intention apparently in that paper, and Spain would not be consulted. I leave out the question of the possibilities of future cooperation and so on but I very much doubt even on the basis of the information given to the Honourable Member, I very much doubt that work that could be done in Gibraltar for the British Fleet despite an early entry of Spain into NATO which is also still very, very premature, that Britain would rather have work done in one of the Spanish Dockyards than have it done in Gibraltar, if at all it could be avoided. Sub-paragraph (b) in the motion in effect calls upon the British Government to write a blank cheque. It says: "That Her Majesty's Government should undertake to provide the capital investment required for any diversification plans." This kind of simplistic and abstract approach is not the way in which I have been accustomed, I

think with some success, to get help from the British Government in running the affairs of Gibraltar and protect the interests of its people. I don't think that the Honourable Member nor, indeed, any other Honourable Member, in this House really think that if we put this blank cheque request to the British Government that we are going to get an immediate and unqualified yes. Surely, what we must do and what we are doing is to make a study of the ways in which Gibraltar's economy might be diversified depending on the ways it is going to be affected by the Defence Review and we do not yet know what these effects will be and it is for this reason that at my meeting with the Lord Privy Seal I concentrated both on the need for early information and timely consultation. But even before this information becomes available a Committee has been established by the Governor in order to pool ideas and put forward constructive suggestions for diversification and the Government has not been idle either in doing its homework in order to be able to service this Committee properly. Hopefully, the need for diversification will not be very large or drastic. I say hopefully, but whatever the needs might, in fact, turn out to be we shall be ready with practical and concrete plans and ideas. That I think is a pragmatic approach to the matter to get things done with foresight and hard work and not to pretend that the difficult situation can be resolved as I am sure the Honourable Member does not pretend and he has made remarks to that effect that 15 Members of the House of Assembly putting their hands up in agreement to demand for a blank cheque would solve the problem. In fact, it would not even solve the problem because you would have to know how to spend the blank cheque. The Honourable Member has often spoken in this House of the need for an economic plan but he has never told us what his own economic plan is, it is a very guarded secret that he has. Perhaps in the situation that has now arisen and we find ourselves he will be more forthcoming and help us to find our own solutions aided by Britain and that I think would be a very practical substitute for the blank cheque that might be taken to be demanded under paragraph (b) of the motion. Sub-paragraph (c) of the motion speaks of the release of Ministry of Defence land for the economic development of Gibraltar. Once again the Honourable Member's ideas coincide with those of the Government and as I am sure it coincides with those of every Member of this House. For the last year or so and before there was any intimation of the present situation arising, a special study has been carried out by the Honourable and Learned Attorney-General of the question of Crown Lands in Gibraltar. Discussions have been held in London on this issue and preparations are in hand for further discussions. A fresh impetus has been given to this matter by the possible implications of the Defence Review and I am glad to be able to say that the question of land has also not escaped me. It was raised specifically at my meeting with the Lord Privy Seal last week when I said that the on-going discussions on this question became even more important now in the new situation. Mr Speaker, I fully understand and share and appreciate the anxieties which have been caused in Gibraltar as a whole and in particular among Members of this House by the Defence Review. I think the electorate, the

people of Gibraltar whom we all represent to a greater or lesser degree, look to us all to provide the necessary leadership and the required solutions. That electorate will not thank anyone in this House on one side or the other if the achievements of those solutions were to be hampered by selfish and short-sighted party politics. Equally, outside this House the general good can only be assured by all sectors of the community, in particular the Chamber of Commerce and the Trade Unions, putting Gibraltar's general interest first and sectional interests after. I have good reason to believe that this is going to be the case, in fact, but this is only one side of the coin although a very important one. Certainly, if instead of seeking overall solutions for the continuance survival of the community which we all cherish passionately particularly under the hostility of our neighbours, we were to indulge in local bickering, we shall get nowhere. Equally, let us recognise once and yet again where our true friends are. I said in my statement last week that I believed the Foreign and Commonwealth Office to be not only sympathetic and concerned. I also said that my first and immediate response to the Defence Review, as I have said very often, that I had faith in Britain and that I had always been proved right and I say that again. As I said at the beginning, Ministers will vote in favour of the Honourable Member's motion but they do so in the light of the reservations and qualifications that I have mentioned and this is really only a question of matter of approach, if there is any difference in the accent. This House must make up its mind today whether it trusts Britain or not, whether it will work in cooperation with the British Government and in particular with the Foreign and Commonwealth Office or not, whether it will work jointly for the overall good of Gibraltar or not. My own position is very clear. My first and only concern is the protection, as it must be of all Members of the House, of the people of Gibraltar and I am certain that this can best be achieved in the maintenance of frank and close consultations between London and Gibraltar and in agreeing on reasonable and realistic solutions. It is no part of my function as Chief Minister to defend the Foreign and Commonwealth Office or even less so the Ministry of Defence but I would not be acting in the best interests of Gibraltar if I were to bow to simplistic, emotional and political demands and I am not referring to the Honourable Member alone on this, or particularly on this, but for general approach from the people that there are simplistic demands which can be advanced by emotional appeal because if this were to become so we would find ourselves gradually or perhaps earlier than gradually, in confrontation with the British Government. If confrontation is necessary I shall be at the head of it if it is required but let us first of all try to see whether we can settle our problems in partnership with our friends who have in the past stood by us in very difficult times. We must keep cool, I think, we must trust our friends and work together constructively to solve whatever problems we now have to face. We have faced many perhaps more difficult in some sense problems in the past and we have come through with them. Ministers will support the motion on the understanding that its terms on expression of aims and not at the point of a pistol. I do

not want anyone to think that that can be interpreted as such. We have a lot of friends, a great deal of friends but sometimes there may be some people who may be not so friendly and we must be careful that what we do we do responsibly and that we can defend it in the face of those of our friends who will stand by us when the time comes. We believe that those aims are capable of achievement but I say that this achievement lies in friendly cooperation and proper consultation, each side being fully aware of the other sides difficulties rather than in demands from one side of precipitate action which cannot be responded to. I think, generally, we will get a fair hearing, I think there must be an element of in-fighting between one department and the other because one department of the British Government is doing something which goes counter to the commitments of another Department insofar as Gibraltar is concerned. Of course, if the ODA were to pay for the refits of a number of craft they would find the craft to bring to Gibraltar so long as it was not done in the Navy's estimates and that is why I say that what we have to do is to try and find solutions that will give value for the money that is given to Gibraltar, that we do not have to live on handouts, we don't want to live on handout we don't want to live on charity, we want to be able to pay our way through with good work and with responsible Government.

HON P J ISOLA:

Mr Speaker, I support this call for unity in circumstances of the Defence White Paper because I think that this White Paper or British Government Defence policy has for the first time in our history, rather more even than the Spanish restrictions and the Spanish closure of the frontier of Gibraltar, has presented for the first time in our history a real threat to the economic well-being of the people of Gibraltar. It is the biggest threat we have to face and we should not mince words. Because it is a big threat, Mr Speaker, I think we have to understand the issues that unite us and the issues that divide us and we have to understand, too, the way ahead for Gibraltar based on an understanding of the issues involved for Gibraltar, where we have to make a stand, how we have to go forward, what we must not accept at this stage even though we may have to accept it at a later stage. The reaction of my Party to the Defence White Paper, the Defence Review, Mr Speaker, was one of caution because on the face of it the United Kingdom Defence Programme. The Way Forward, the White Paper, on the face of it did not seem at all bad for Gibraltar because it stated quite clearly in a Ministry of Defence White Paper: "If you like to call it, in a British Government White Paper, the admitted obligations of the British Government towards the people of Gibraltar to sustain and support them." I stress in a Ministry of Defence White Paper because I do not think that in Gibraltar we should so readily accept the arguments that have been put forward by the Honourable Mr Bossano and supported to a limited extent by the Honourable and Learned Chief Minister, that the Ministry of Defence was one thing and Overseas Development is another and the British Government is another. They are all the same as far as the

Defence White Paper is concerned, it is a British Government statement of policy and this I think is something that we must think about. We must not start solving problems for the British Government in advance of their happening, we must put the Gibraltar position clearly and hold the British Government to its commitments as stated continuously by British Ministers and as repeated very, very clearly in this Defence White Paper and the policy of my Party is based crucially on a proper interpretation of that White Paper. That is why, Mr Speaker, when the White Paper was published it did not seem too bad to us and we received it obviously with caution. Any White Paper that reflects defence expenditure is, obviously, a matter for some alarm and concern in Gibraltar. What concerned us much more were the peripheral statements that were made to Trade Unions in Gibraltar by the Flag Officer, Gibraltar, or the Principal Supply and Transport Officer and others, the Department of the Environment and so forth. We were concerned by the statements of the Flag Officer that he expected a significant reduction in a number of jobs that they would be able to offer in Gibraltar. I think no one can deny there appeared to be real conflict between what was stated in the Defence White Paper and what was stated in the Press Releases locally, I wrote to the Governor as a representative of Her Majesty's Government in Gibraltar, seeking clarification on the, I think, it was the 29th June, Mr Speaker. I won't bore the House with the details of the letter, it is all past history, it was published, I went on television and explained our position on it but basically we asked for clarification of the position. What is the true position? Do we believe the White Paper or do we believe the officials in Gibraltar? The second thing was I asked for assurances that the alternative ways of fulfilling Her Majesty's obligations to Gibraltar would be considered and implemented before there were reductions in the role of the Dockyard in Gibraltar and, thirdly, and I think very importantly, I asked that the British Government in the discharge of their obligations to the people of Gibraltar of their commitments, that the Opposition should be consulted on the way that this was proposed. For the purpose of this debate, Mr Speaker, that third request is something one can put for the time being to one side because that concerns our relations with Her Majesty's Government but there would be good reasons for it because under our Constitution, foreign repairs and defence are reserved to Her Majesty's Government affairs. There is a bipartisan approach on foreign affairs which so vitally affects Gibraltar and defence which as a result of this White Paper affects Gibraltar still more vitally, if I can say so, there is obviously a need for a bipartisan approach to the subject because we don't know what happens in the future and whatever policy is agreed must be a policy that has the support of both sides of the House if British Government policy to Gibraltar is to be continuous and without interruption. We do not want a situation where a new Government comes in and says: "That is nonsense, we were not consulted, change this and change that", anyway, it may be too late to do it but we feel that a bipartisan approach on defence is also vital in the interests of the people of

Gibraltar as it is in the interests of the British Government but I leave that argument, Mr Speaker, to one side. I don't think it is relevant to this particular debate but I mention it because we do feel strongly on it. I had further correspondence with His Excellency the Governor between the 30th June and 2nd July. I wrote one more letter to him and he wrote two, we have written two to each other and his letters to me were not able to give the clarification that I had sought because obviously he didn't know it himself from what I could gather from the letter, he did not know the position himself and it was in those circumstances, Mr Speaker, that I asked to see the Lord Privy Seal in London. As I was going to London I felt as the elected Leader of my Party and the Leader of the Opposition, if I was in London I should request a meeting with the Lord Privy Seal to seek clarification, as the responsible Minister for Gibraltar. I should add at this stage, Mr Speaker, that at no time did I ask to see him with the Governor and the Chief Minister, I asked to see him myself as the elected Leader of the Opposition. Unfortunately, the Lord Privy Seal was not able to see me but I did see an Assistant Secretary in the Department, Mr Ewan Fergusson, who is well known to the Members of this House as a fairly senior official in the Foreign and Commonwealth Office and I told him why I was there. I asked him for the same clarification that I had asked from the Governor and I asked him for a number of assurances as I had asked the Governor. I full well knew that it was not possible for an official, however high he might be, to give me any assurances that I sought because obviously he did not know what I was going to ask him and he could not act on his own but he was able to give me, of course, the assurances that I had received from the Governor, the assurances of the British Government's commitments to Gibraltar all of which were very satisfying. As far as the clarification is concerned he went slightly further than the Governor, he said it would be unrealistic, and that is why I asked the Chief Minister on this the other day, it would be unrealistic to assume that there would not be cuts in the Gibraltar Dockyard. I put to him, Mr Speaker, again I won't bore the House with the details, I put to him the Opposition's views about alternative strategy, implementation before cuts and so forth and, of course, I also put to him the constitutional point that the Leader of the Opposition should have access direct to British Ministers and not through any other organ of the Gibraltar Government. Again that is a matter that is not appropriate for this particular debate although it is a matter, I think of constitutional principle as far as the people of Gibraltar are concerned. So that our concern, Mr Speaker, has been throughout; here is a real threat to the people of Gibraltar and to their economy if the Defence White Paper is to be interpreted in a way that showed that there was going to be no further work for the Dockyard and therefore that vital part of the economy is going to disappear. Then this is a really serious matter and our concern is (a) to get clarification of it which we now have sufficient clarification to have worries about it, Mr Speaker and (b) is to get the appropriate assurances for an alternative economic strategy and the implementation of that strategy,

this is vitally important and here I must stop and digress a second and tell the Honourable Mover that he has been guilty, if it is an offence at all, of the same offence as he accused my Honourable and Gallant Friend when he had the preamble in his motion having regard to the Defence Review and he attached him strongly for it. He has been guilty of the same offence in this motion because he has introduced two other elements to the motion which, although important, are subservient to the central issue of the Gibraltar economy and supporting and sustaining that economy. Let me tell him that the release of British Government land in Gibraltar is no consolation to people, for example, who work in the Dockyard who have been trained in the Dockyard, who have been trained in these skills all their lives, it is no consolation to tell them, as I think the Honourable Member told them in Casemates Square when he had his meeting, they must give up that land, we must not be delayed by seven married quarters, it is no consolation to them because that is not going to make the slightest different to their jobs and their livelihoods in the Dockyard and what they want and what people in the Dockyard want is to continue to have the work that they have done in the past and that they want to continue to do and not, to use the Honourable Member's words, a fitter in the Dockyard to have to be a mason in the construction industry. That is, I understand, the position of the people of Gibraltar. I will give way now.

HON J BOSSANO:

If the Honourable Member will give way I will inform him that the people who are at risk are not just the fitters in the Dockyard but the masons in the DOE and the masons in the construction industry who depend on UK Department contracts and those people will be directly helped by MOD land being made available without us having to pay for it and by the construction industry being given an injection of life and those people today are also being affected, this is not just the Dockyard, there are a whole lot of people who are not in the Dockyard, Mr Speaker, who are being affected by this and those people need to be looked after as well.

HON P J ISOLA:

I appreciate what the Hon Member says and I agree entirely with him but when he was talking in the Casemates and what I am talking now is how the economy will be affected by the Dockyard cuts. The other cuts that he mentions in the DOE in the support plans for the Dockyard are, of course, affected by the financial constraints that are being put generally on the British economy but as far as the Defence White Paper is concerned, the crucial factor that affects the economy of Gibraltar is the Dockyard and I don't think and I would warn Honourable Members of running with solutions to what is a very, very difficult and possibly almost insoluble problem, an alternative economic strategy. It is dangerous to make

or let the British Government think that by releasing land on cheap terms to the Government of Gibraltar they are fulfilling their obligation and that that is the answer, we are not certain, we do not know what the alternative economic strategy is or what it can produce, we just do not know unless the Honourable Mover has that economic plan which he has had hidden under his desk for so many years unless that is the answer and if it is, it is high time he told us but I believe and we believe on this side that we do not know the answer to this problem and therefore so long as we do not know we must hold Her Majesty's Government, a friendly Government, a Government that has a great amount of sympathy for us and I agree entirely with what the Chief Minister has said where the British Government is concerned but nevertheless in our obligations to the people of Gibraltar we must hold them firmly to what they say in the White Paper that if they consider that Dockyard work cannot go on indefinitely in Gibraltar, consideration will be given of alternative ways of discharging Her Majesty's Government obligations to Gibraltar and my interpretation of that and I think the interpretation of the House of that should be that you do not reduce work in the Dockyard substantially whatever your Ministry of Defence (Navy) may say or whatever the policies of the Ministry of Defence Department and ODA may be, you do not reduce that until an alternative strategy has been developed successfully in Gibraltar, considered and implemented successfully and that, Mr Speaker and Honourable Members of the House, that should be what unifies us all, that issue, that central issue. I have said all that, Mr Speaker, because I think the others are subsidiary things. The Honourable Member has said and it is true, he has said the Navy will just look at its vote, so therefore they are not going to give No 1 Dock over to Bland or anybody else for nothing, they are going to fight like mad, I don't want to waste time on those things, Mr Speaker, I want the crucial central obligation, "we will sustain and support you, we will discharge our obligation by implementing an alternative strategy." It is not implemented by, for example, giving off Dock No 1 to a commercial firm without knowing and without finding out what are, in fact, the economic repercussions for the people of Gibraltar. How many jobs will that save, if any? These are the thoughts and it is this that we must hold in my view and in the view of my Party, the British Government to. An overall strategy which is successful, not a strategy like in Malta which was unsuccessful, that is not what our people expect from us. Mr Speaker, in that spirit and in that spirit alone I am going to propose an amendment to the motion of the Honourable Member purely and simply, I think, for the sake of having one central theme in our policy and in our reaction to what is very much a threat to the economic livelihood and wellbeing of the people of Gibraltar. The amendment that I suggest, Mr Speaker, is that the motion be amended, it is not as bad as it sounds I can assure the Honourable Mover, by the deletion of all the words after the word "considers" in the third line and the substitution therefor of the following words: "that pursuant to the commitments undertaken by the British Government to support and sustain Gibraltar and to the commitment given in the Defence Review document The Way Forward, to consider

alternative way to fulfil Her Majesty's Government's obligation to support the economy of Gibraltar, Her Majesty's Government should undertake to maintain the present level of expenditure in Gibraltar and more particularly in Her Majesty's Dockyard until an alternative economic strategy has been considered, agreed and successfully implemented." Mr Speaker, let me assure the Honourable Mover, he will notice that some of his wording in paragraph (a) is included in this, let me assure him that leaving out paragraphs (b) and (c) does not mean that I do not want what is in paragraphs (b) and (c), excluding it is only for the sake of emphasising what we consider is the crucial issue and not let anybody think that such an obligation can be discharged necessarily, by doing the other things mentioned in that motion. We want to get, if possible, from this House a motion that puts the position of the people of Gibraltar formally straightforwardly and as we understand it, in our records, in other words, the commitment to sustain and support, their obligations to sustain and support, we would like an undertaking, an assurance, I am not particular, but what we would like in Gibraltar may not be what we get, but what we would like in Gibraltar is that any alternative economic strategy is considered and implemented before we start having real problems of unemployment in Gibraltar because you do not fulfil your commitment to us which you have mentioned in the White Paper and which you have stated time and time again by allowing a hiatus of a year, two years, three years during which we have considerable unemployment in Gibraltar. It may be, Mr Speaker, that we are asking here for too much but that should be our starting position, that should be the starting position of the people of Gibraltar, it showed their formal reaction to the White Paper having regard to what has been stated by British Ministers or what has been stated to the Chief Minister, he has been told direct by Sir Ian Gilmour, the Lord Privy Seal, having regard to what has been stated and the reaffirmations that have been given, I think it is appropriate that in this House we should focus the central issue which is alternative strategy, consideration and implementation. Mr Speaker, I have been asked by the Governor to join a Committee that the Governor is setting up. I got a letter dated the 7th July, and this is something, of course, that I will consider with my colleagues because if this is a British Government Committee then, of course, I suppose this is not passing the buck as it were, this is something in which the British Government wants to hear, presumably what the views are of different sections of the community and the reaction how they can help, that is fine, but I would be at the moment slightly hesitant to go too far in this process without having real clarification of the British Government's attitude and clarification of how the matter is going to process so I will be replying to the Governor on this invitation to join a Committee in principle, of course, we agree. In principle we agree there should be unity amongst the elected Members of this House in our response to the Defence White Paper and in our response to an alternative strategy but with unity must come responsibility and must come consultations. We are not going to be rubber stamp in the cause of unity. This is too serious a matter for Gibraltar,

for my Party to take what could be the easy way out. We want to see things moving and moving properly and in the right direction. Mr Speaker, I think if we can all be united on the amended motion which repeats, I am quite sure, what the Mover wants in spirit and what the Government has agreed to, if we can be united in that motion so that we all know exactly where we stand as a people vis-a-vis Her Majesty's Government, then I think we will be making progress towards a real advance in the cause that we all hold dearest and that is the wellbeing of the people of Gibraltar. I commend the amendment to the House.

Mr Speaker then proposed the question in the terms of the amendment moved by the Hon P J Isola.

HON J BOSSANO:

Mr Speaker, I am not quite sure what my reactions would be to this amendment. It seems to me that this is a fundamentally different approach from the one I advocated in the motion. I said, in fact, in my opening speech that I was willing to listen to a fundamentally different approach if I could be persuaded that that was better. I am puzzled somewhat by the contrast between what the Honourable and Learned the Leader of the Opposition has put forward as the unifying position of the House of Assembly today and what the Honourable and Gallant Member put forward as a unifying position of the House on Friday. I think, if one looks at the three motions, because this to me is essentially a new motion, the motion that I moved, the motion moved by the Honourable and Learned Leader of the Opposition and the motion moved by the Honourable and Gallant Major Peliza, then in fact I would say that mine was in the middle of the two and that in the motion on Friday we were being asked that in view of possible redundancies more meaningful support should be given by the Government to industries, in this motion we are being told we should not even suggest that they put up the capital or that they give us the land because of us taking the responsibility of what needs to be done. We should say to them: "It is your responsibility, you say what needs to be done and you do it." That seems to me to be the emphasis placed by the Honourable and Learned Leader of the Opposition in what he has said and certainly in the way he has supported the amendment. Clearly, if we follow that line certainly under no circumstances should we have followed the line on Friday which the Honourable Member in fact, voted against because he wanted us to do the very opposite on Friday of what he is asking us to do today which is to say: "We, the Gibraltar Government, we must give more meaningful support to industries in Gibraltar, tourist industry and other industries, we must do it in order to counteract the effect of the redundancies." I am saying we must ask the British Government to provide the cash, to provide the land and we will provide the ideas of what we want done in Gibraltar. As I understand it the Leader of the Opposition is saying: "No, if we do that, we ourselves are assuming the responsibility which is not ours. It is the British Government's responsibility to keep the Dockyard going, to keep the level

of expenditure there, whether they need the Dockyard or not is really none of our business, they have said they will support and sustain us and that is what they have got to do, we hold them to that commitment and we don't have ourselves to tell them what we want done." I am prepared to follow that line, Mr Speaker, but it is a line that seems to me to put us on a course of conflict and confrontation with the British Government.

HON P J ISOLA:

If the Honourable Member will give way. The Honourable Member is misreading the motion. He will see at the bottom "considered agreed and successfully implemented." Obviously, there is an element of agreement on both sides and I am not suggesting that the British Government should give us the answers to everything, that is all. I am suggesting the commitment and the way they should fulfill it.

HON J BOSSANO:

Yes, but in fact are we asking or are we not asking, Mr Speaker, that the level of work in the Dockyard, it draws attention to the Dockyard, it says: "the present level of expenditure in Gibraltar and more particularly in HM's Dockyard, should be maintained until the alternative economic strategy has been agreed" - presumably between us and the British Government - "and successfully implemented." So we are saying if it takes us a number of years to produce an alternative to the Dockyard and we then carry out the implementation of that alternative and then we have to wait to see if it is successful or not because we will not know whether it is successful when we start doing it, we shall have to wait some time and if the Honourable Member says if you move to commercial work in the Dockyard it is only until the commercial work has been going through the Dockyard for some time that you will be able to know whether it is a viable economic alternative to what we have today and until that happens we are saying to the British Government we want an undertaking that until that happens, you will keep on sending the same amount of work to the Gibraltar Dockyard. I am prepared to say it but what do we say to the British Government when they tell us, no, which I am sure they are going to say because if I had thought that there were possibilities in making the British Government accept that there will be not one single job lost in the Dockyard, and I can tell the Honourable Members of this House that that is the most traditional reaction of Trade Unionists, not a very realistic one in my estimation, in Chatham they are talking about occupying the Dockyard to make sure that not a single job is lost, alright, they may occupy it and that is really very close to a revolutionary situation, they have occupied factories so far in the United Kingdom, they have never occupied military establishments but they are now talking about doing that. If we are saying to the British Government

that we want an undertaking that there will be no single job lost in Gibraltar, I am prepared to support that but I want to know where we go from there because I think it is inconceivable that we will get a positive answer to this, Mr Speaker, and therefore, when I put my motion I accept that my motion is a less tough stand that we are being asked to take by the Honourable Leader of the Opposition, yes, I think he is taking a tougher stand than I am, I am prepared to take a tougher stand but I am spelling out what I think are the consequences of what we are doing. If that is what we want to do, if the House of Assembly is prepared to say to the British Government: "We will not accept one single penny of reduction in the Dockyard, one single loss of a job in the Dockyard until the alternative has been considered, has been agreed, has been implemented and has been shown to be successful that is the commitment we want." If that is the fight we want to put up the House can count on me but I am spelling it out because I think that the implications of this are that the answer will be a straightforward no and then I want to know where we go from there, Mr Speaker. For me it is a completely different approach from the one that I was suggesting, mine was to say: "You have helped Gibraltar for so long, you cannot just take the rug from under our feet just like that. We are prepared to assume the responsibility of telling you what we want done but you must be the one that puts up the cash and as a short term measure" - and I think you know one for example clear difference between clause (a) and the Honourable Member's approach is that I am saying that we are only asking them to maintain the level of expenditure as a short-term measure and this is until the thing is agreed, carried out and shown to be successful, a much longer commitment. Secondly, that I am specifying expenditure rather than Dockyard work because I think it is extremely difficult for a case to be put and I mentioned specifically the Leander Class refits, we do two Leanders a year, the Leanders are being phased out, how can we go to the British Government and say: "Keep on sending us Leanders, get them refitted in Gibraltar, scrap them when they have done it." If we are not doing that, are we saying to the British Government: "Send us other type of work in place of the Leanders, send us RFA's send us other navy work which will come from where? Alright, we can say it is none of our business whether it is MOD money whether it is Navy money, whether it is ODA money that is your responsibility, you have said support and sustain the people of Gibraltar, we are holding you to that, we are not prepared to put in ourselves proposals or suggestions as to what should be done, we are just holding you to the commitment that you have given us." That is an alternative way of doing things. I don't really think it will produce much dividends but I am prepared to support the motion provided I have understood it right and provided I understand that this is what the House wants. These are my reservations about it, Mr Speaker, and I would welcome other contributions before we take a vote on this because I am not entirely clear that this is the best thing that we can do for Gibraltar.

HON CHIEF MINISTER:

Mr Speaker, it seems to me that we are doing precisely what I warned the House should not be done and that is that we should attempt to start scoring points here. I think that on motions that have been on the Order Paper for days and days to come with handwritten hurried amendments here is not the best way of finding a consensus. The Government will have to take its time to consider what approach it can take in this matter. It is not because we do not want the same thing but because we may be spoiling the very reasons that we have for trying to get the help.

MR SPEAKER:

May I perhaps suggest that since we are going to recess in about 10 minutes time for coffee and I did give warning on Friday that we are going to have a slightly longer recess until 11 o'clock perhaps it might be a convenient time to recess now which might give an opportunity to the different Members to discuss this.

HON CHIEF MINISTER:

Mr Speaker, I wanted to say two other things and that is that with the Mover of the motion we are not happy and this perhaps may be a matter that the Leader of the Opposition can take into account if in fact we all want a motion on a consensus basis, we are not happy that by omitting the sections (b) and (c) of the motion, we are not deliberately turning our backs to matters which are of very great importance. If they had never been mentioned it would be a different matter but for a motion which has been on the Order Paper for all this time, for those two very important matters to be forgotten just like that by an amendment, seems to me to have rather a negative attitude to matters of very great importance.

MR SPEAKER:

I would like to find out from the Chief Minister whether he has finished his contribution on the amendment. Have you finished your contribution on the amendment?

HON CHIEF MINISTER:

I have not made any contribution to the amendment. I have not spoken to the amendment, I have spoken to the procedure that hampers the possibility of a consensus motion.

MR SPEAKER:

The procedure is clear as far as the House is concerned.

HON CHIEF MINISTER:

Of course it is clear but this is a matter of vital interest and I am drawing attention to these matters to ask, if I may say so, for time to consider it.

MR SPEAKER:

Precisely.

HON P J ISOLA:

Mr Speaker, there is no objection to time being given to consider the amendment from our point of view, there is no objection, but I think I must take up the Chief Minister on the point he makes about a handwritten amendment coming in at a late hour. Can he point to a single motion in the history of this House of which notice of an amendment to that motion has been given other than on the morning or on the day or on the spot. The Honourable Mr Bossano has moved hundreds of motions that have been completely amended during the debate but I appreciate and I welcome that the Government side want to consider this and I am quite happy. I agree it needs time.

HON CHIEF MINISTER:

His point about handwritten amendments, of course, I entirely agree with what he has said but normally in matters of this nature they have been preceded by consultations not consultations after.

HON P J ISOLA:

I had no consultations on this matter with anybody.

MR SPEAKER:

I understand you wish to speak, Major Peliza. You will be speaking on the amendment and let it be understood that the Chief Minister has not spoken yet to the amendment.

HON MAJOR R J PELIZA

Yes, this is why I am interested in speaking, Mr Speaker, because he is, obviously going to give consideration to this matter. Mr Speaker, I am very pleased to hear that the Chief Minister and also that my Honourable Friend on the left are obviously in the mood of considering the amendment. I think, first of all, one has to accept amendments being introduced in the House at any time because in fact if we come here with

blinkers already where you have already typed your amendment, and you are not prepared to listen to what is said in the House you might as well, in fact, not sit down and listen to the debate at all. Therefore it is in the nature of democracy and discussion in this House that amendments should be produced as the matter is being discussed if there are Members in the House who obviously believe that by making a slight change or a big change, they can in fact contribute and perhaps arrive at a solution which the whole House can support. The real point I wanted to make, Mr Speaker, is that I do not believe there is any contradiction whatsoever in the motion that was tabled in my name here on Friday and the attitude that the Opposition is taking today on the amendment introduced by my Honourable Friend. I think if we see it in the light that I made that motion and also the contributions that I made which in no way whatsoever anything I said differed from anything that my Honourable Friend said in fact, if anything I think you might say I even pre-empted his speech here today because we know what the Party policy was and this is the line we are taking. I think that just in order to put my Honourable Friend on the left at ease on that matter, I think it is obviously important, in fact, he goes a bit further than me in that respect, I think it is obviously important that whilst we must hold the Minister for Defence for the statement that he made on behalf of Her Majesty's Government in the House as to the position of the MOD with regard to the cuts in Gibraltar, at all times of course we must show that we understand the problem that his Ministry is faced with, we understand that, and that as far as we are concerned within our own resources we are going to do everything possible, that was the spirit of my motion. We have a number of industries in Gibraltar which are in existence today, it is our duty to try and make them tick as well as possible. There is one particular one, particularly tourism, which is going down very rapidly and we have to demonstrate that we are not happy with that situation ourselves, and I said so in my contribution regardless of the cuts, it has nothing to do with the cuts and therefore that is the position as to the existing industries today which we have a duty to support whether or not there are any cuts in Gibraltar, that was the spirit of the motion and the reason why the words "possible cuts" were introduced was in fact to stimulate the Government to getting into doing it because that same motion was introduced here in November last year. Therefore, there is absolutely no relationship with that as to the position that we are taking which I think is a proper one and which I believe that any person entering negotiations will adopt, not with a view to inviting confrontation because obviously that is the last thing we want, to talk about confrontation is absolute nonsense, Mr Speaker, because we know that this less than a dwarf fighting a giant, we all know that so that is not the attitude in introducing that amendment. I think what the amendment is intended to do is to restate the statement made by the Minister in the House and then say that we expect that this will be carried out. I do not see why my Honourable Friend should be so worried about confrontation. I am sure two years ago he would not have minded at all.

HON J BOSSANO:

Mr Speaker, if the Honourable Member will give way because I have spoken already and I can't answer the point, obviously being on my own in the House has this inhibiting factor. I am not saying I am afraid of confrontation, I am saying are we conscious of what we are doing, that is what I am saying or am I reading it wrong, or am I putting on the words of the Honourable Member, the Honourable and Learned Leader of the Opposition which are now recorded, did I misunderstand him when he said, no, it is the British Government's responsibility and we hold them responsible and are we holding them responsible as I read it for the loss of not one single job in the Dockyard, is that what we are saying in this motion or isn't it? That is what I want to know before I vote.

HON MAJOR R J PELIZA:

Mr Speaker, I don't doubt that my Honourable Friend will answer him completely on that point and put him at ease. As I said before I don't think anybody in this House is seeking any confrontation but I think we are entering, no doubt whatsoever, a process of negotiation in which obviously like in any negotiations we must put our situation as clearly and as succinctly and I think as strongly as we can so that everybody on the other side that we shall have to hold discussions with are clear in their minds as to the situation and the feeling of the people of Gibraltar in that respect, Mr Speaker. I do hope that both the Chief Minister and his colleagues and certainly my Honourable Friend here who is obviously almost predisposed to go with it, that they will give careful consideration because we shall be in a much stronger position, I think, if we just seek to restate the position as already announced by the Government and not start on our own bat trying to give solutions which, in fact, Mr Speaker, we just cannot find.

MR SPEAKER:

Gentlemen, I have consulted both the Chief Minister and the Leader of the Opposition and it might perhaps be better if we recessed until 2 o'clock to give plenty of time for consultation.

The House recessed at 10.15 am

The House resumed at 2.10 pm

HON CHIEF MINISTER:

Mr Speaker, when we adjourned this morning after the presentation by the Leader of the Opposition of his amendment, I indicated that whilst we had had time to consider the implication of the motion of Mr Bossano and I had made certain

reservations and so on but agreed to its terms, the motion as now presented requires much more attention than the time available since we adjourned, taking into account the other things that one has to do since then and I have had a word with the Leader of the Opposition and Mr Bossano and we will try and see whether we could agree on a consensus motion because I would like to avoid the need of a division on this matter and for that purpose I suggested to the Leader of the Opposition, subject to your agreeing, that we might carry on with the only other motion pending and leave the follow-up of the debate this morning either for tomorrow afternoon or Wednesday morning as we make progress. I hope that the Leader of the Opposition will be free tomorrow morning and Mr Bossano so that we can have talks - and then perhaps we could adjourn the debate on this motion until 2.15 tomorrow afternoon.

MR SPEAKER:

That is acceptable. We will then adjourn the present motion to a future time and you will call the next motion on the Order Paper.

HON G T RESTANO:

Mr Speaker, I beg to move the motion standing in my name: "That this House considers that the Mayor of Gibraltar should, in accordance with the Constitution, be a Member of the House of Assembly and calls on the Government to take immediate steps to present a motion for the appointment of a Mayor of Gibraltar who is a Member of the House of Assembly." Mr Speaker, since we are talking about matters of the Constitution I would like to, first of all, quote, it has been quoted often enough in the past before in this House, what the Constitution says about the Mayor. It is very short, just two paragraphs. Paragraphs 78 of the Constitution says: "There shall be a Mayor of Gibraltar, who shall be elected from among the Members of the Assembly (other than the ex-officio Members) by the elected Members of the Assembly." And paragraph (2) says: "A person elected to the office of Mayor shall hold office upon such terms and conditions and shall perform such functions (being ceremonial functions of a civic character) as may be determined by the Governor acting after consultation with the Gibraltar Council." Mr Speaker, it seems to us from this side of the House that it is clear in the Constitution that it is the intention that the Mayor of Gibraltar should be a Member elected, other than the post of Speaker, of this House of Assembly. We have had in the past, at least on one occasion in December last, where in reply to a question the Government side said that it had advice that was different to our interpretation. The advice that was apparently given to the Government was that there was no termination date for the Mayor in the Constitution but it is clear that the spirit of the Constitution is that a Member of the House should be the Mayor of Gibraltar. If

If I can refer to another section of the Constitution, which I think is very relevant, and it is Section 29, it is the Tenure of Office of Elected Members and let us be quite clear that the Mayor on his appointment is appointed because he is a Member of this House, if he is not a Member of this House he cannot be appointed Mayor. Section 29 of the Constitution says: "An elected Member of the Assembly shall vacate his seat therein on a dissolution of the Assembly." So therefore, to my mind, it is clear that on the dissolution of the House, every person who sits in the House loses all his commitments and is re-appointed after there is an election, other than the Speaker.

MR SPEAKER:

The Speaker ceases to be a Member of the House of Assembly, or ceases to be Speaker. He is a Member of the House by the fact that he is the Speaker, but the Speaker ceases to be a Speaker the day that the House of Assembly meets after a general election. That is provided for by the Constitution.

HON G T RESTANO:

I think it is a very valid point, in fact, because I think that it is known well enough that immediately after a general election, after a dissolution of the House, it has been the practice and I think it is the practice which has been made because the interpretation of the Constitution has been made that way, that not only the Speaker but also the Mayor is elected after the dissolution and after a general election. Ministers themselves are only Ministers between the moment of dissolution and the moment of the reappointment of a new Government in a caretaker capacity, and therefore after an election they have to be reappointed whether it is on one side of the House or the other. When we come back to the history since the 1969 Constitution of the appointment of Mayor, we find that in 1969 which is shortly after the new Constitution became operative, you, Sir, Mr Speaker, as a member of this House you were elected to be Mayor, unanimously obviously, by the whole House and you served in that capacity until 1972. In 1972 there was a dissolution of the House of Assembly and there was a general election and following the general election you had to be voted in again as Mayor, this was on the 13th July 1972, and if I may quote because I think it is relevant to quote from the Chief Minister's speech at the time, in 1972, he said: "On the last occasion on which the election of the Mayor came before this House I said from the benches opposite - because in 1969, he was Leader of the Opposition and not Chief Minister - that our view was that the Mayor of Gibraltar should be a Member of this House elected by the people. This was in 1972 and that was, I think, one of the very first speeches that Sir Joshua Hassan made as Chief Minister after the Constitution became operative. I think he was only reflecting then the point or the interpretation of the Mayor that we interpret today and I will say it again and he says that in his view the Mayor of Gibraltar should be a Member of

the House elected by the people. That, I think, and the operation in July 1972 of the election of Mayor shows that in the view then of the Chief Minister and of the Government a Mayor had to be re-elected after a general election and let us not forget that in 1972 Mr Speaker, you yourself were re-elected Mayor so that there wasn't a question of getting a new Mayor in 1972, it was merely the continuation of the Mayor who had served between 1969 and 1972 and the Mayor who was going to take over and that was the same person. If there had been any difference of opinion then and if it had been interpreted then that there was no need for an election because the period of termination of the Mayorship was not specified in the Constitution, then there would have been no need in 1972 to re-elect you as Mayor when it could have been said at the time that there was a Mayor, there was nothing in the Constitution to say that you had to resign as Mayor and therefore no election was necessary but an election was made necessary, and you were elected unanimously again. By 1976, regrettably, Mr Speaker, you resigned as Mayor and it was again the prerogative of the Government to move a motion to elect a new Mayor and there again in 1976, in December of 1976, the Chief Minister and I quote a small snippet of his speech said: "That that leaves us" - that is your resignation as Mayor - "that leaves us with the necessity, undesirable as it may be, of having to elect one Member of the fifteen elected Members of this House to be Mayor." I think that that too reflects the interpretation of the Constitution which was that a Member of the House should be elected to be Mayor of Gibraltar and it was the interpretation that a Member of the House should be Mayor. In that meeting also, if I remember correctly, the Chief Minister said that it was his Government's policy that the work of Mayor, the job of Mayor, was a fairly onerous one and that therefore he considered that the workload should be shared out and that it should be shared out at one yearly intervals between his colleagues. Over the years, of course, the year has been growing, I think the first Mayor was for a year and three months and the second one was a bit more and so on. If the Honourable Mr Canepa would like to make a contribution I am quite happy to give way.

HON A J CANEPA:

I would like to say that he has got it wrong, he hasn't checked his facts. I was Mayor for two years and my successor, Mr. Zammitt, was Mayor for one year.

HON G T RESTANO:

I appreciate that contribution because it merely confirms what I have just been saying. But whereas, in December 1976, it was the Government's proposal or the Government's intention and policy, as recorded in Hansard, that Mayors should be in post for one year, the Honourable Mr Canepa was Mayor for more than one year. The spirit of the Constitution by our interpretation is that the Mayor should be a Member of this House and if I may quote again Mr Speaker, in March, 1980, after the last general

election, there was a meeting held between the Chief Minister and the Leader of the Opposition and the record of that meeting, as far as the Mayor was concerned, states quite categorically that the Chief Minister said that: "He agreed with Mr Isola that the spirit of the Constitution was that the Mayor should be a Member of the House of Assembly. It was his intention that a motion for the election of a Member as Mayor should be put to the House of Assembly in due course. Mr Isola noted this." I think the Chief Minister's interpretation is quite clear, he does also agree that the spirit of the Constitution and I would go further I think it is more than just the spirit of the Constitution, I think it is the Constitution itself which says that a Member of this House should be Mayor but I am prepared to concede that perhaps it is only the spirit of the Constitution which says so, that the Mayor should be a member of this House. If it is only the spirit of the Constitution which says that the Mayor should be a Member of this House, I think that the Chief Minister and the Government should adhere to that, should adhere to the spirit of the Constitution and have a Mayor who is a Member of this House. That, I think, is our interpretation. I would like to say that as far as Mr Serfaty is concerned and I think I have to say this because he is the incumbent, I must congratulate him on his performance as Mayor. I think he has made a very good job as Mayor. I think he has been a very popular Mayor. No, it is not lip service, Mr Speaker, I think Mr Serfaty has the distinction, together with Mr Speaker, of being the only unanimously elected Mayor of Gibraltar since the 1969 Constitution. He was elected unanimously because the Members of the Opposition also voted for him and in fact I go back further, in 1976 when Mr Canepa was appointed Mayor, Members of this side of the House voted for Mr Serfaty to be Mayor and suggested Mr Serfaty and it was always the opinion of the Opposition that Mr Serfaty would make a very good Mayor and I think that that was a justified opinion, I think he has been a very good Mayor. The motion is not a personal motion against Mr Serfaty and I want to make that absolutely clear. We feel that to have somebody outside of this House to be Mayor is contrary to the spirit of the Constitution and I would go further and I think it is contrary to the Constitution but I will not go further to say that it is contrary to the spirit of the Constitution so therefore it has been found on our side that it has been a duty to bring this motion to the House. Let it not be interpreted in any way that on this side of the House there is anybody who wants to be appointed Mayor, that is not so at all, that is the responsibility of the Government. I suppose the Government could turn round and say: "Why did he not bring up, as an Opposition, this point earlier?" Well, we have been prudent on this side of the House. There was a nine month interval since the general election and the time that this matter was first aired in a question in December 1980, where certain reasons were given by the Chief Minister. We realised that the Government had problems, and therefore we were prudent and we did not raise the matter earlier but enough is enough. We consider that the Constitution is not being adhered to either in actual fact or in spirit. We feel that the matter has to be brought before

this House and in this case in a motion. I think, perhaps, that it is unfortunate that over the years the Chief Minister has seen fit not to consult the Leader of the Opposition on the appointment of Mayor. I think that controversy could well have been avoided if there had been consultation, I think that earlier this morning the Chief Minister was complaining on another motion that there had been no consultation but I think he is the first culprit in not consulting the Opposition on matters of controversy and on matters of controversy which may not need to be controversial if consultation had taken place. The position of Mayor is a non-political appointment, it is purely a civic appointment and I think it is good for Gibraltar to have a Mayor who is generally supported by all sections of this House which represents all sections of the Community. I think it is, perhaps, unwise of the Chief Minister to appoint Mayors before consultation with the resultant controversy which could arise and which has arisen in the past because, after all, a Mayor in all other communities that I know of is normally elected by the people. He has to stand for election. He stands for election to a City Council and then once elected to a City Council he is then elected by the Council to act as Mayor from amongst the Councillors. In this case, in Gibraltar, the Mayor does not have to stand for election so therefore I think it would be a good thing, it is a unifying thing, if the Mayor has the support of the whole House as representing the people. Mr Serfaty is a very nice person and I think he has done a very good job as Mayor and it has not been a very pleasant duty to move this motion because, of course, it does affect him personally but we also felt that there was a duty to bring this motion forward because we consider that to perpetuate a situation where the Mayor is not an elected Member of the House is to perpetuate a situation which is against the Constitution and if it is not against the actual Constitution it is against the spirit of the Constitution. The responsibility at the end of the day is entirely the Chief Minister's because he recognised back in March 1980 that the spirit of the Constitution was that the Mayor should be a Member of this House and he undertook to present a motion to the House so that a Member of the House should be appointed Mayor and he has not done so. If he had done so this motion would not have needed to be moved and therefore it is his responsibility entirely that this motion has been brought before the House. I think that it is very important that the Constitution and the spirit of the Constitution in Gibraltar, particularly at this present moment in time should be upheld to the last letter and therefore, Mr Speaker, I beg to move that the Mayor of Gibraltar should be a Member of this House.

Mr Speaker proposed the question in the terms of the Hon G T Restano's motion.

HON CHIEF MINISTER:

Mr Speaker, at a time when we have been struggling on the question of the British Nationality which is still to be

decided but on which we have made great efforts, all parties of this House, at a time when we have problems in connection with the Lisbon Agreement with Spain, the difficulties that have arisen, at a time when we have perhaps the most serious of all the difficulties that we have had before, the Defence Review, it shows the pettiness of the mover, the poverty of his soul, the worst things that one can think of of a person who has any sense of the place to which he belongs in this House, particularly against the background of the fact that the man who is carrying out the duties now is doing a magnificent job, as the mover has admitted. But that is the reason, Mr Speaker, why the motion has been brought, because he is doing a very good job and because he is doing a very good job a man who has been thirty years in public life and has a flair for that kind of representation, because he adds lustre to the Government and to the Party to which he belongs, that annoys the Honourable Member that he should continue as Mayor. I cannot put it any higher. There is nothing at all about the spirit of the Constitution that worries Members opposite because if anything worried the Members opposite about the spirit of the Constitution it would be the immorality of having a Member who flies away in the course of a meeting because he lives in London and comes here for the meeting. Is living in London within the spirit of the Constitution for a Member of this House? What will happen when the frontier opens? Will people have a little house there and be a Member in Gibraltar and live in Spain and come here for meetings? Is that the spirit of the Constitution which the Honourable Member wants to honour and he has mentioned it eleven times? Is that the spirit of the Constitution, that a Member should hurriedly make an intervention this morning in order to be able to say that he spoke to catch his plane back, because things didn't turn out as he had planned because we had to do other business in London where he is supposed to be useful but for that visit he wasn't useful, he wasn't there, he was here because he thought the meeting was here. Is that the spirit of the Constitution? Of course not. The spirit of the Constitution is that people should live near the people who elect them and particularly where you haven't got the difficulty in England where you live in a constituency and you have to be in Parliament and in order to keep in touch they have to go up to the constituency every week for surgeries every week. That is the spirit, that is where the spirit is broken. I can tell Honourable Members that I could have avoided that for the next election. I could have altered the law, we could have altered the law, we could have altered the regulations and made the qualification to get into the register what it ought to be. But I was not going to do that in order to be accused of trying to exclude the Honourable Member from the House and this situation arose for a long time in the famous 1969/72 government with the other "Flying Major" living in London, Major Gache. Is that the spirit of the Constitution that people opposite speak about? It is really disgusting. I will tell the Honourable Mr Restano who normally finishes or starts his contribution by quotations from the past because the only thing he knows how to do is to look up records and take notes. I will tell the Honourable Mr Restano one or two variants of the things that he has mentioned. When I said

that an elected Member and not the Speaker should be elected, what I said was then that whereas the previous Government had said that the Speaker should always be the Mayor in order that it should not be political, as you remember yourself, Mr Speaker, I made it quite clear that we were not disputing the idea of having the Speaker as Mayor but that I thought that the spirit of the Constitution was that he should be an elected Member. The point is that Mr Serfaty was an elected Member at the time he was appointed Mayor, he was an elected Member, otherwise he would not have been appointed. The point that arises out of the Constitution is that there is no provision in the Constitution for the ceasing of the appointment of a Mayor if he was properly elected and he was an elected Member when he was elected at the end of 1979. Some people said he was going to be Mayor for a day, or whatever it was, and tried to be funny about it. The other thing of course is, that whereas at the time of the appointment of Mr Canepa the then Leader of GDM of which the Honourable Mover was a Member very clearly spoke in this House about the fact that there should be no need to have a Member of this House to be Mayor to which the Honourable Member who was then militating in the forces of the GDM2 kept his mouth pretty shut on that and didn't disagree with his then Leader, now of course he takes a different view. Let me say, too, that it would be very difficult to find consensus about the appointment of a Mayor if there was to be consultation though I agree that there it would be preferable. But let me say, too, that the fact that Honourable Members opposite did not vote in favour of Mr Canepa as Mayor didn't make him the less representative nor did it in any way diminish the distinction with which he carried out his duties during the two years he was Mayor. Let me also tell the Honourable Member who does his research wrongly sometimes if it means anything outside the records of the House of Assembly, and even those he gets wrong sometimes, that in England you don't have to be an elected Member to be a Mayor. In England, Councillors of distinction are appointed Aldermen and then Aldermen can be Mayors without being elected. This happens in many, many boroughs in England, even in big boroughs in England, the Mayor is an Alderman and an Alderman is an Honorary Councillor for life. They are the sort of elder statesmen on which the Councils take recourse. I was very disappointed to hear the Honourable mover saying that no one from the Opposition wanted it because in fact I was thinking that the only person who had held very high office in Gibraltar who might take the place of Mr Serfaty would be Major Peliza. But, of course, there would be difficulties if he were Mayor of Gibraltar because he doesn't live here. Is that in the spirit of the Constitution, that the action of one Member deprives the other fourteen from electing him to a place where there are to be consultations? Talk about the spirit of the Constitution. It has been broken in many other ways by other people, Mr Speaker, many other ways, so it is not for the Honourable Member here to lecture us about the spirit of the Constitution. The point is that according to the Constitution it is not contrary to the Constitution for a person who has been appointed Mayor when he was an elected Member that he should continue to be so. I agree that in due course, as I said before an

appointment will be made but I would like to say that the more motions they bring the longer Mr Serfaty is going to be in office. As simple as that. If it is the intention to deprive Mr Serfaty of adding lustre and distinction to the Party which he has served for so many years and for which he has been recognised and honoured, then the mover and the people who support him are losing their time.

HON J BOSSANO:

Mr Speaker, we have been asked by the mover of the motion to support this motion because it breaches the Constitution. He is not sure whether it breaches the actual Constitution itself or the spirit of the Constitution but he is prepared to concede that it is the spirit that is being breached and he wants the spirit upheld to the last letter. I am not quite sure how one upholds a spirit to the last letter. Normally, one upholds the letter of the Constitution to the last letter and not the spirit. However, let me say that I certainly do not uphold the spirit of the Constitution if that is the spirit of the Constitution any more than I did in 1976, and the policy of my Party today as it was then, five years ago, is that we see no valid reason why the holding of that office should be limited to the fifteen people elected to the House of Assembly when there could well be somebody better suited to hold that office outside the House of Assembly and certainly somebody with more time on his hands, or her hands, there is no reason why the Mayor should be a male, to hold the position of Mayor. In fact, taking another point, the Honourable Member, the mover of the motion has said that this is not intended to deprive Mr Serfaty of the office he holds. Is that a correct interpretation of what the Honourable Mr Restano has said?

MR SPEAKER:

The Honourable Mr Restano has said that it was not intended to be a personal attack on Mr Serfaty.

HON G T RESTANO:

Mr Speaker, since he is asking a question, I will answer gladly. My motive is to keep to the spirit or to the letter of the Constitution which I say, I think, that the Mayor should be an elected Member of this House.

HON J BOSSANO:

So, in fact I am right in interpreting his speech as meaning that his motive is not to deprive Mr Serfaty of continuing as Mayor, that is an incidental cost that we have to pay. In fact his motive is to ensure that the Constitution is not shaken in any way even if as a result of that we find that we are doing ourselves out of something which he says we want

because he said that the most desirable objective is that the Mayor of Gibraltar should be somebody that enjoys the support of the whole House. He said that Mr Serfaty's appointment met that desirable objective because it was supported by the whole House. If I remember correctly, I haven't checked Hansard, but speaking from memory, I believe I was the one who moved the appointment of Mr Serfaty in 1976.

HON G T RESTANO:

Incorrect. I did.

HON J BOSSANO:

Well, the Honourable Member did no doubt on instructions from me at the time but it was a Party decision, Mr Speaker, at the time as other members can corroborate, and therefore, it seems to me that if we have got a situation which we want if that situation is contrary to the requirements of the Constitution, then I would put it to the Honourable Member that rather than bring it in the House he should challenge the constitutionality of Mr Serfaty's continued existence as Mayor in the courts as the Chamber of Commerce did when legislation was brought here, which I supported, because I thought it was a good thing and which subsequently, regrettably, the courts decided it was against the Constitution and the Government came back then and revoked. I think if it is against the requirements of the Constitution it should be challenged in the courts. If it is not against the requirements of the Constitution but against the so called spirit of the Constitution, then all I can say, Mr Speaker, is that if Mr Serfaty is doing a good job, then this question of the spirit is a highly theoretical concept that certainly, I think, very few people in Gibraltar are either interested in or worried about and, after all, it seems to me that the impression that we may give people outside the House reflected by the lack of attendance in these meetings is likely to be increased when we spend a good portion of the House's time debating a totally theoretical concept which I think interests nobody because people today in Gibraltar are worried as I think the Honourable and Learned Chief Minister has correctly stated about issues affecting the future of Gibraltar and not about whether the spirit of the Constitution is served best or not served best by whether Mr Serfaty or anybody else is in that position. Therefore, Mr Speaker, in what I can hardly hope to define as a unifying amendment but one I hope that will find some support, I propose to move that the motion should be amended by the deletion of all the words after the word "that" in the first line, which has now become standard practice in this House, and the substitution of the following words: "though the present Mayor of Gibraltar was a Member of the House of Assembly when appointed, in accordance with the Constitution, consideration should be given to amending this requirement in the Constitution so

that any future Mayor should not necessarily have to be a Member of the House of Assembly." Mr Speaker, I would just like to add one point of course to the amendment and that is the amendment speaks of any future Mayor of Gibraltar because the House will recall that when the Government expressed its intention of keeping a person in office for a period of one year, I myself felt that this was not a desirable move and I think if a person is doing a good job and generally enjoys popular support outside the House and enjoys the support of the Members of the House, then I think we should leave well enough alone. I cannot see any valid reason for carrying out changes now but I think, talking towards the future, if there is a willingness to move in this direction then we could have a de facto situation reflecting what would then be the future spirit and, indeed, the future letter of the Constitution. I commend the amendment to the House.

Mr Speaker proposed the question in the terms of the Honourable J Bossano's amendment.

HON P J ISOLA:

Mr Speaker, I am going to speak exclusively to the amendment of my Honourable Friend so that I can speak on the general motion, if necessary, when we resume debate. I personally would oppose the amendment although I appreciate that there are people who sincerely believe that eligibility for Mayor should not be restricted to Members of the House. I know there is difference of opinion I think in my Party there are probably people who agree with the idea that a Mayor should not necessarily come from the Members of the House but that is something that I think is still very much an open factor. What I would object to at this stage is to suggest that the Constitution which is so important as far as Gibraltar is concerned should be changed to suit the particular thinking of any part of the Constitution by any Honourable Member of the House. If we remember that the Constitution has part of it the preamble which is the vital security for the people of Gibraltar, I would personally strongly advise the House against accepting any, how can I put it, accepting any suggestion that the Constitution can be changed from day to day because the consequences of that could be quite serious. If we can change it because it suits us, others can also change it because it suits them. My own feeling is that in the context of a constitutional conference for Gibraltar which I don't see occurring in the foreseeable future, but in the context of a constitutional conference for Gibraltar by all means discuss this point as, indeed, any other point. It is known that there are parts in the Constitution that people would like to change but, frankly, I would recommend very much against passing an amendment which suggests consideration to constitutional change in Gibraltar without having such amendment encompassing all the various matters that we wish to have considered in the Constitution, including the preamble, possibly, and therefore I think it is wrong to try and get out of a situation that is possibly embarrassing for some,

by suggesting constitutional change. I don't think we can go along with that at all although I am not saying that it is policy on the part of my Party that a Mayor should always be a Member of the House, it is something we would have to discuss. As we read the Constitution, that is the position and, therefore, this is why my Honourable Friend has moved his motion. I would urge the House to be very careful about suggesting changes to the Constitution to deal with a particular problem that has arisen. Let the problem that has arisen be discussed, let people put their points of view. The Government considers that they are acting in perfect propriety in the matter, the Honourable Mr Bossano supports them in that view, let us leave it at that but let us not start suggesting changes in the Constitution. As I said, Mr Speaker, I am confining myself entirely to the amendment at this stage because I think it of more importance than the very issue we are discussing and that is that the Constitution should not be tampered with whenever we find something that we don't like we shouldn't start suggesting changes to the Constitution unless what we are suggesting is a fully blown constitutional conference to decide the future of Gibraltar, its institutions and so forth. Let us not have changes just to suit particular situations because Honourable Members on one side or the other feel one way or another on the Constitution. We must oppose this amendment on principle, Mr Speaker.

HON CHIEF MINISTER:

Mr Speaker, I agree to some extent with some of the sentiments expressed by the Leader of the Opposition, only in a limited extent. I think he has misconceived, as I read the amendment though I think we can make it much clearer by amending it. I did not take that to mean that we were going to rush to London and say we want a constitutional conference to carry out Mr Bossano's desire. I don't think he meant that either. I took that to mean, as we have had representations in other respects, that when the Constitution is amended that this is one of the matters that should be considered. Let me say that we are suffering in this respect about the spirit and so on in this matter of a hurried decision in the Constitutional talks because in fact, the constitutional talks went on for a long time on matters of very great importance and as it was winding up the old City Council it was debated whether the post of Mayor should or should not continue and it was decided that it should and I don't think, and I speak for myself, that much thought was given how the thing was going to work when it was said that it should be one of the Members of the House no doubt following in the spirit of the City Council which was to elect from among its elected Members its Mayor but on a completely different basis, because here the Mayor was the Council from one meeting to another, unlike in boroughs in England where the Mayor is only the Ceremonial Head as indeed the Mayor now is the Civic Head. So that really was not a fundamental decision taken. I remember, and perhaps the Honourable Leader of the Opposition may remember this, talk was made about having a Deputy Mayor and he was one who said why have a Deputy Mayor on top of that and this was because at the time there was a Deputy Mayor. This was all discussed when all the very big

problems were solved in the Constitution. I agree that we should not advocate haphazard amendments on the Constitution. We have a huge list of matters which in the practical application of the Constitution, apart from policy and apart from the question of devolution, many aspects of the Constitution that require amending because we have seen it in the practice and have had to act perhaps contrary to the spirit in the interest of a practical approach, not just the Government but the whole machinery of Government sometimes finds itself stuck with difficulties that can only be resolved by a commonsense approach to the matter. So that subject to an amendment that will be made to deal with that point, we will support the amendment.

HON G T RESTANO:

Mr Speaker, I would have preferred to have spoken on the amendment as it is proposed but, anyway, there is just one point that I would like to say on this particular amendment of Mr Joe Bossano and that is that it confirms precisely what I said in moving this motion. The second part of his amendment is that "consideration should be given to amending the requirement in the Constitution so that any future Mayor should not necessarily have to be a Member of the House of Assembly." It is clear that by making his amendment in this way he at least if not the Government considers that I was quite right in saying that it was against the Constitution for this position to be perpetuated and he is making it absolutely clear in his amendment. It has been said by the mover of the amendment that perhaps I was trying to get Mr Serfaty out of office. I may of course have got what he said wrongly but he certainly, if I remember correctly, said that he would be, I cannot remember the right words, but perhaps he said sacrificed to the Constitution. The point is that however good a person may be in whatever office he holds, if there is a law I think that law should be enforced. A person may be a very good Chief Minister but if he speeds down Main Street then of course I think that the law should be enforced to stop him from speeding down Main Street. I feel that the Constitution says quite clearly, and I think it has been agreed by the Chief Minister, it is on black and white by the Chief Minister, that it is the spirit of the Constitution that the Mayor of Gibraltar should be an elected Member and therefore I feel that that spirit should be upheld and I think that interpretation has been upheld by the Honourable mover of the amendment when he says that consideration be given to amending the requirement in the Constitution, because if it wasn't my interpretation, our interpretation, then there would be no need to amend the Constitution. So therefore I think that the amendment merely asks for a change in the Constitution for a particular matter and to amend any constitutional matters or just one because it may be expedient at one moment in time is far too serious a matter. No constitutional changes should be made without a Constitutional Conference on far more important matters than just the Mayor and I would not agree that we should have a Constitutional Conference just on this matter.

HON A J CANEPA:

Mr Speaker, as time goes by I become more and more convinced that the spectacle that we are setting outsiders of the proceedings of the House is not an edifying one. Here we are, Mr Speaker, at a time when Gibraltar is at a historical crossroads, when there are events in the offing which are going to shake Gibraltar to its foundations, when our status as Gibraltarians may be changed, when the clock is going to be .....

HON G T RESTANO:

Mr Speaker, on a point of order. May I ask if the Honourable Member is speaking on the amendment or on the motion?

MR SPEAKER:

We will find out in a minute.

HON A J CANEPA:

When, perhaps, Mr Speaker, the clock is going to be put back to pre-1969 days. We are going to know the issue very soon, Mr Speaker, on the issue of Nationality. We have been discussing and not reaching agreement on the question of the Defence Review. There are now indications that perhaps at this moment, for all I know, Lord Carrington may be having discussions with Señor Perez Llorca that may affect the future of Gibraltar and, certainly, may well affect the conditions under which we are living at the present. And here we are, Mr Speaker, thanks to the pettiness of the Honourable Mr Restano, discussing a matter, quarrelling amongst ourselves, bickering in a manner which I don't think is endearing politicians to people outside. We should be striving with every moral fibre that we have to reach agreement on the motion that we have had to put aside this morning. That is what we should be doing, not because of a purist or puritanical interpretation by the Honourable mover of what the Constitution is all about. People are not bothered about who is Mayor in Gibraltar today and I think, by and large, people are quite happy about the fact that Mr Serfaty is Mayor because he is doing a first class job. Why can't we let sleeping dogs lie as far as that is concerned and get on with the real business of facing the issues that confront Gibraltar and let us leave these other matters for another day. I think, Mr Speaker, and I have been saying this for some time, that if we are not careful we are going to be condemned, present day Members of this House are going to be condemned by future generations because when Rome burned we were playing the lyre and singing like the Emperor Nero. What a waste, Mr Speaker, that we should have to come here this afternoon to discuss this matter. At least, as far as the Honourable Mr Bossano is concerned, one can detect some consistency in his approach. What he was saying in 1976, he

is saying today as I recall only too well. His view that an outsider, someone from the public who is not necessarily a Member of this House should be eligible for the office of Mayor. I agree with that, I don't think that a Member of the House should be debarred from being Mayor of Gibraltar because at a particular moment in time there could be a Member who is the person best qualified to be Mayor of Gibraltar but that we should be able from amongst citizens who have served Gibraltar in public office, and I can think apart from Mr Serfaty, I can think of many others, I can think, for instance, of Mr Willy Isola who was a very distinguished City Councillor for many years, who has given about twenty years of public life to the people of Gibraltar across the way there and in this House. I can think that someone like Mr Willy Isola would make an excellent Mayor for Gibraltar, I think he has all the qualities that are required and in a situation in which we are facing such serious problems to be suggesting as the Honourable Mover of the original motion is suggesting when he says that no Member of the Opposition wants the job, therefore it is going to have to be one of the Ministers, if no Member of the Opposition wants the job then who can be Mayor of Gibraltar other than one of the Ministers and in that situation I am including Mr Bossano as a Member of the Opposition and in any case I am sure he doesn't want the job of Mayor. I believe that the hat doesn't fit him, the robes don't fit him.

HON G T RESTANO:

If the Honourable Member will give way. To go back to this, Mr Speaker, what I said was that the motion was not being moved because any Member of the Opposition wanted to be Mayor, that is the accurate statement that I made.

HON A J CANEPA:

We certainly don't want any of the Ministers to be further burdened at this time with the additional onerous duties that being Mayor of Gibraltar entails. I think we have enough on our plates at the moment and to suggest that there should be consultation, well, what for? Are they or are they not interested in the job? If it is going to be a Minister there is no need to consult Members of the Opposition, we would decide which of the Ministers should do it. But I agree with the Honourable Mr Bossano, Mr Speaker, I think that when an opportunity arises we should widen the provisions of the Constitution, it will bring us closer, and I will use that word once, with the spirit of what is done in the United Kingdom whereby prominent citizens, Aldermen, become eligible for the office of Mayor of a borough Council and add lustre to that office. Therefore, we on the Government side support the amendment of the Honourable Mr Bossano but in order to ensure that no doubt is left that we are not all in addition to the problems that we already have, going to be rushing to Whitehall demanding an immediate amendment consequent on the passing of this amendment, an immediate

amendment to the Constitution which will no doubt also satisfy Mr Restano, in order to make it absolutely clear what the intention as I understood the amendment to be, Mr Speaker, I am going to move a further amendment to the amendment and that is that the words "when the Constitution is next amended" should be inserted after the word "given" in line five of the Honourable Mr Bossano's amendment. Therefore the amendment in that case, Mr Speaker, would read as follows: "Though the present Mayor of Gibraltar was a Member of the House of Assembly when appointed in accordance with the Constitution, consideration should be given when the Constitution is next amended so that any future Mayor should not necessarily have to be a Member of the House of Assembly." I commend the amendment to the House.

Mr Speaker proposed the question in the terms of the Honourable A J Canepa's amendment to the amendment.

HON G T RESTANO:

At the risk of being repetitive, I must say that this amendment again confirms what I said in the original motion and that is that it is unconstitutional, that it is against the spirit of the Constitution for the Mayor not to be an elected Member of this House. I think that the amendment of the Honourable Mr Canepa confirms this because his particular amendment says: "that when the Constitution is next amended there should be a change so that the future Mayor should not necessarily be a Member of this House." So therefore, he is agreeing. Would the Chief Minister like me to give way?  
HON CHIEF MINISTER:

Yes I am asking you to be fair and lead the whole of the amendment as amended.

HON G T RESTANO:

That is no problem Mr Speaker. His amendment is that though the present Mayor of Gibraltar was a Member of the House of Assembly when appointed, in accordance with the Constitution, consideration should be given when the Constitution is next amended so that any future Mayor should not necessarily have to be a Member of the House of Assembly. It confirms even more what I am saying because it says that the Mayor of Gibraltar is today not a Member of the House of Assembly and what the Honourable Mr Canepa is asking for is that when the Constitution is next amended it should be amended in such a way so that the Mayor should not necessarily be a Member of the House of Assembly. I don't disagree with that. I don't disagree with that at all. What I am saying is that before any amendment is made in the Constitution, the law should be upheld as written and I don't think exceptions should be made. We consider that our interpretation that the Mayor should be a Member of the House is the interpretation in the Constitution. But even if it were only in the spirit of the Constitution as being the spirit of a Constitution which, if I may say so, was drawn up very much in consultation by the Chief Minister himself, by the Government side, by the then Opposition side, by all sorts of people in Gibraltar, by the British Government,

the spirit of the Constitution was there, it was agreed by them then that the Mayor should be a Member of the House of Assembly and therefore this amendment, to my mind, merely confirms that the Government or that the Honourable Mr Canepa considers that there should be an amendment in order to fit this particular set of circumstances that we have today and perhaps a set of circumstances at a future date but it shows that if he considers that an amendment is necessary, the situation which occurs today is contrary to what the Constitution says or the spirit of the Constitution and that is why he has thought fit to amend the amended motion in this way. Therefore, we cannot possibly agree with this amendment.

HON J BOSSANO:

The Honourable Member said that at the risk of appearing repetitive he was going to say what he has just said. Well, of course, I can assure the Honourable Member that the House of Assembly by now is immune to his repetitiveness. If one were to give him an accolade for anything in this House, it would be precisely for repetitiveness. Of course, the amending motion that I have moved doesn't say anything about whether one has to be a Member of the House of Assembly throughout one's term of office, no, it says that one has to be a Member of the House of Assembly on appointment, that is what it says and that is what the Attorney-General tells the House that the Constitution says. The Honourable Member is not going to be swayed by any arguments because we have been exposed to his total incapacity to listen to the arguments put by anybody at all on anything in this House of Assembly. He stands up, he says what he has to say, he will sit down, and he will stand up another two hundred times repeating his original arguments regardless of the evidence that is put contrary to his original views and that is something to which one is used to already and no doubt will be subjected to for as long as he is a Member of the House. It is a burden that goes with getting involved in politics, Mr Speaker, and no doubt a burden that very few people want to share in Gibraltar and this is why the seats are so empty. All I can say, Mr Speaker, is as regards the amendment that the Minister for Economic Development has moved, I took it to be an attempt to meet the objection of the Leader of the Opposition as to why he could not support the amendment. He could not support the amendment, not because of what I was trying to do but because it meant tampering with the Constitution and therefore in order to show that it was not my intention to tamper with the Constitution and of course I couldn't move an amendment to my own amendment, the Honourable Member has moved this to show this. I think there is no indication there of the time-scale within which I am suggesting consideration should be given and therefore really, although I appreciate that he has made this move to meet the point, it is quite obvious that any move that anybody makes is not going to meet the point because the reason why Honourable Members are voting against this is because I am moving it, Mr Speaker, which was the same reason why they

voted against the other amendment on Friday which precisely met the contents of the speech made by the now absent Honourable and Gallant Major Peliza and no doubt is also the reason why the Honourable and Learned Leader of the Opposition is moving an amendment to my motion. Clearly, it is a time consuming exercise that we have to proceed in this manner in the House and there is really nothing one can do to avoid it. All I can say is that I find from a linguistic point of view that there seems to be something slightly wrong with the motion as proposed by this consequential amendment in that it says "consideration should be given so that" I think that doesn't read, quite frankly, Mr Speaker.

MR SPEAKER:

When the Constitution is next amended.

HON J BOSSANO:

Yes, but it says "consideration should be given when the Constitution is next amended, so that any future Mayor", and it doesn't say, consideration to what should be given. I think from a linguistic point of view, a policy of spirit point of view. I just thought it didn't read too well if it said "consideration should be given so that any future Mayor", but in fact I can tell the House that I was not suggesting that there should be an immediate Constitutional Conference for this matter although in fact I stood in 1976, as indeed did the Honourable Mr Restano, on a ticket of the need for Constitutional change in 1976 and I have not changed my mind about the urgency of the matter five years later. I still think there is an urgent need to change the Constitution but it seems to me an opportunity to restate the policy that I have advocated on previous occasions presented to me by the Honourable Member and I was not going to forego such an opportunity. Clearly, there are many other matters that require amending in the Constitution and I think if we can get agreement that this should be included amongst those things then at least something useful will have been achieved by the motion and we will not have wasted all our time here this afternoon.

HON P J ISOLA:

Mr Speaker, one cannot but be impressed by the cordiality that exists between the Honourable Member on my left and the Government and the amount of applause he gets from the Government benches is really very edifying, I am sure he enjoys that enormously but, Mr Speaker, two small points I want to make. The question raised by the Minister for Economic Development that we are wasting our time talking about this when there are much more important things to discuss. I agree that there are much more important things to discuss but I do not agree that we are wasting our time in anything that is part of a democratic process. This is what happens in every

elected Parliament. I could invite them to go to the House of Commons and see how the subjects change from something affecting the vital interests of the whole nation and something affecting somebody in Aberdeenshire or something else like that. That doesn't worry me at all, it is a matter of some regret that we have to sit and discuss these matters but I think if they are brought up they have to be discussed. Mr Speaker, the other point is the question of whether the Mayor should be somebody outside the House or not. My own personal view and I am giving my own personal view here and not necessarily the views of my party, is that during the present crisis Gibraltar is going through and so forth especially in its foreign affairs relations and now with the defence review, the Mayor of Gibraltar should not be a person outside this House, it should be a person who knows what the policy of this House is vis-a-vis Spain, vis-a-vis the Defence Review and so forth, it should be that and there are important reasons for this. The Mayor is in the list of people who get a call every time visiting dignitary comes to Gibraltar and some of those visiting dignitaries are very anxious to find out how people think on particular issues and I think there is a danger, not necessarily in the present incumbent because he has had thirty years of public life in Gibraltar, I think there is little danger there, but there is a danger in appointing somebody outside the elected Members as Mayor of the House, there is a danger of the Mayor putting forward his views on any current problem to a visiting dignitary, and possibly his views being given rather more weight because he is the Mayor than they would otherwise have been. I give that warning signal about a Mayor outside the House in present circumstances in Gibraltar. We don't agree to this amendment for the reasons my Honourable Friend has given. I agree that the amendment goes further to meet my objection but I think my position and I think the position of my party must be that that is the Constitution of Gibraltar and that is what we work for. The Honourable Mr Bossano has said there is an urgent need to amend the Constitution. Well, he said it I know in 1976, the next time I have heard him say it is in 1981, five years later. If he carries on all his other activities with that sense of urgency then I think we have a long time to wait for results as far as he is concerned. I don't think he is fair to my party when he says that we have amended his motions purely and simply for the sake of amending his motions. We have voted en bloc for a good many motions put forward by the Honourable Mr Bossano in this House and I cannot say the same for him. When my party has put forward motions he has either gone out of the House, abstained, been away, or sought to amend it and that is not a fair remark to make. If his motions are good, we shall vote for them whatever views we may hold about his own way of doing things as far as our party is concerned. That is all I have to say, Mr Speaker.

HON H J ZAMMITT:

Mr Speaker, it is becoming more and more confusing and I feel the longer one is in this House the more confusing issues

become and I wonder, Mr Speaker, if just for historical purposes as the Chief Minister mentioned when the Constitution was drafted in 1969, I don't think that the Constitution envisaged that Ministers in particular would be as tied up and as busy as politics have of necessity brought upon Ministers. I know that it says Members of a House of Assembly but, Mr Speaker, the unkindness of this is not only because of the work that Ministers have, and I agree with the Leader of the Opposition, that he says we are not wasting our time, that we can democratically discuss these issues here. Mr Speaker, this week in particular my diary is absolutely full and I have had to cancel pretty important official functions to be here in this House and the backlog is catching up on me and I am finding great difficulty in keeping up with the demands that my political life makes. I would like to remind Members opposite that the post of Mayor is not just the occasional function as people think it is it is quite an ordeal and I will put it no lighter, Mr Speaker, and I think you, Sir, have gone through this. It is quite an ordeal to keep up one's ministerial responsibilities and at the same time at very short notice have to cancel very important meetings or interviews to conduct the official functions of Mayor. Mr Speaker, apart from that, what I cannot comprehend is that here we are arguing about something which the Honourable Mr Restano is not at fault with and that is that even when it was absolutely constitutional if he wanted us to grant him that he considers it not to be constitutional now, in the case of my Honourable and distinguished colleague Mr Canepa, the Opposition abstained and in my instance because of my total popularity, the Opposition all voted against. So therefore, Mr Speaker, and considering that there are now four Members on this side of the House who have been Mayor and considering that Members opposite do not aspire to the high office of Mayor, it leaves us, Mr Speaker, with a situation where the Chief Minister I don't think wants to be Mayor and in fact I think he was Mayor before there were roads in existence. Mr Canepa has been through it, I have been through it and Mr Serfaty is the incumbent at the moment. Without going into dramatic circumstances, and I think Mr Restano contributed slightly to this because of regrettable circumstances Ministers have been burdened with added responsibilities and that is why I feel it is untimely to put this kind of motion in the House which is a slight on Mr Serfaty. Whether we like it or not I am absolutely certain and I assure this House that Mr Serfaty cannot be clapping his hands, he cannot be enjoying this and it is in my opinion and I am sure in the opinion of many people in Gibraltar, a slight on a man who has not only given virtually all his life to the public life of Gibraltar but a man who enjoys doing it, and most people are most extremely happy with him and at a time as I say and has been mentioned by the Chief Minister and my colleague Mr Canepa, at a time when we are absolutely flogged, Mr Speaker, and I am sure I am speaking for virtually every Minister here. We are not working three hours, four hours, five hours, or eight hours. We are working round the clock virtually and surely, Mr Speaker, would it not be futile now

to place a further burden on a Minister when there are many more and much more important issues to try and sort out in Gibraltar other than having to have a Mayor which seems to satisfy Mr Restano. Mr Serfaty was voted Mayor unanimously by this House. Surely we should be pleased, in fact, we should thank him for his services and encourage him to continue doing so until circumstances in this Government ease off the tension that we have at present and some Member or some Minister is able to carry out further responsibilities. Mr Speaker, the Honourable Leader of the Opposition could have done one thing to have avoided Mr Restano from bringing in an amendment.

HON G T RESTANO:

I did not bring in an amendment, Mr Speaker, I brought in a motion.

HON H J ZAMMITT:

I am sorry, I thought I said Mr Bossano instead of Mr Restano, I apologise. If the Leader of the Opposition is not happy about Mr Bossano's amendment and the subsequent amendment to the amendment by Mr Canepa then possibly the Leader of the Opposition could have asked Mr Restano not to have brought this at this moment in time. He may not have seen it, I don't know, I suspect many, many times that there are questions and motions put here which the Honourable and Learned Leader of the Opposition has not possibly had time to look at and guide his party members on but, Mr Speaker, surely if it is not considered that it is timely to change the Constitution or even suggest for a future constitutional talks to bring this matter up, then possibly the Leader of the Opposition could have advised his colleague to have withdrawn the motion and we wouldn't have wasted one and a half hours on this motion Mr Speaker. I feel Mr Speaker that it is not first and foremost on Mr Serfaty and most certainly not fair on this Government at a time when our future is very, very much at stake and we should dedicate our time to that kind of serious thought and not the rubbish that is brought to this House on many occasions, Mr Speaker.

HON A T LODDO:

Mr Speaker, it is my intention to intervene just this once so I will probably cross over from amendment to sub-amendment and back to the general principles. I had intimated to Mr Restano that it was my intention to make a brief contribution and then as I listened to speaker after speaker make their contribution I realised that everything that I had thought about saying was being said and I felt that I would be repeating myself but apparently this is quite normal in the House, so I will try not to feel too ashamed about it and I will repeat myself where necessary. On the other hand by letting other speakers intervene before, one can pick up certain points which one

can answer. It makes the contribution a bit disjointed but it will probably give food for other speakers after we come up with better contributions than my own. I think it is unfortunate that we in this House have suddenly been presented with a very heavy menu, namely the British Nationality, the Defence White Paper and the resurrection of the Lisbon Agreement all in one go. Having said that I still think that there is room in this House and in our democratic process to discuss problems of major and minor importance at one sitting and because some problems might be too minor in relation to others they should not be brushed aside and this is such a motion. It is not my job to defend Mr Restano because I think he is quite capable of doing that himself, neither it is my job to stand up for capable of doing that himself, whether it is my job to stand up for Major Peliza both of whom have been pilloried this afternoon in the House, but I honestly think that the Chief Minister was a little less than fair in his comments about Mr Restano and the Honourable Major Peliza, particularly the latter, for not being here this afternoon.

HON CHIEF MINISTER:

It is his own fault, he knew that the House was sitting today and he has chosen to go to England. Do not try and blame me for that. He is a Member of this House, not a Member for Edgware.

HON A T LODDO:

If I may continue, Mr Speaker, particularly as Major Peliza is carrying with him letters to a great number of Lords pleading our case on the question of British Nationality and I think I can say without fear of contradiction that these letters signed by the Honourable the Chief Minister, my Learned Friend the Leader of the Opposition and Mr Joe Bossano are the last shot in a campaign to get for Gibraltar the British Nationality which we have always enjoyed and for which Major Peliza has fought gallantly and stronger than the rest of the House put together. I think I can say that without fear of contradiction.

HON CHIEF MINISTER:

Mr Speaker, if the Honourable Member will give way.

HON A T LODDO:

Certainly.

HON CHIEF MINISTER:

Major Peliza in no way went away to take those letters today.

He happened to be going and as we have sent letters from time to time with any good friend who is going to England, he happened to be going and he volunteered to do so. If he had not gone and had been here, as is his duty, somebody else would have taken the letters.

HON A T LODDO:

Thank you, Chief Minister. There was one little point I would like to take up, brought up by Mr Bossano, who raised some fitters from the other side of the House, again when he mentioned our absent gallant friend. If we were to count the number of times the Honourable Mr Bossano has been absent from this House, as he is at this moment, though he might be outside on this occasion listening to what is going on, I don't think that the same laughter would have been raised from the opposite benches. The Leader of the Opposition did say at one point in his initial intervention that the question of the Mayor being a Member of this House was something which was a question which was approached differently by Members of his party and this is quite true. I, personally, have always believed that the Mayor of a City is the man who for services to his community is honoured with the highest civic accolade, and I for one would like to see a Mayor who is not necessarily a political embarrassment to the Government because at the moment with all due respect, I believe that this is what has happened. I know Mr Serfaty very well, I have worked for Mr Serfaty for six years and I know that Mr Serfaty would never take this thing personally. I have, in fact, spoken to him about it in a reception. He knows that the intention is not to deprive him personally, Mr Abraham Serfaty. He knows what the intention behind it is and I can assure you, Mr Speaker, that it is to uphold the spirit of the Constitution which had been laboured considerably this afternoon in this House and I don't think it should be laboured because the spirit of the Constitution has been and is being broken in this House.

MR SPEAKER:

Not in the House, surely?

HON A J CANEPA:

Could he illustrate in which context he is saying that the spirit of the Constitution is being broken by the Government? In the context of the motion that he is speaking to, or in some other context?

HON A T LODDO:

I would think, Mr Speaker, that that is patently obvious, if it isn't obvious to the Minister I will say by the motion that has been brought forward by the Honourable Mr Restano.

HON A J CANEPA:

I am very grateful for that clarification.

HON A T LODDO:

As I was saying, Mr Speaker, I am sure that if the Constitution were different and if Mr Serfaty were to stand for election as Mayor he would get in again because that is one thing I think that all Members in this House are agreed upon, and that is that Mr Serfaty has been and still is a very popular Mayor. I am glad, Mr Speaker, that the Honourable Mr Canepa has admitted what in fact he laughed about three minutes ago and that is that Ministers do not want the added responsibility of having to be Mayor and that of course was reiterated by the Honourable Mr Zammitt. I will end up by saying one thing, and again I will quote Mr Canepa. He said that under the present circumstances wouldn't it be better to let sleeping dogs lie. If I remember correctly, this was the policy of Sir Robert Walpole, the first Prime Minister of England whose policy was known as the *laissez faire* policy and if one remembers the South Sea Bubble we can remember in what hot water that got him. Thank you, Mr Speaker.

MR SPEAKER:

I would remind the House that we are still on the amendment to the amendment. If there are no further contributors I will ask the Minister to reply, if he so wishes.

HON A J CANEPA:

Very briefly, Sir, there is just one point that I want to answer, in fact agree to, and that is the point made by the Honourable the Leader of the Opposition about the need under the present circumstances for the Mayor of Gibraltar to be someone whose political views about Gibraltar are on record, are well known, so that everyone knows exactly what it is that he subscribes to and so that everyone can feel confident at the impression that the Mayor of Gibraltar could give any visitors, any outsiders calling upon him, is an impression of things, of attitudes to crucial issues affecting Gibraltar and is of an outlook that is consistent with the view that the majority of people in Gibraltar hold. The amendment that I have moved if when the Constitution is next amended will in fact ensure that if the circumstances in Gibraltar so require that a Member of the House should continue to hold the office of Mayor, then it doesn't follow that it has to be an outsider. The situation would be one that I would describe as permissive. You can have an outsider in certain circumstances if you so wish, but if in order to meet the point and it is one that I share, having been Mayor for two years I can confirm it is important that we should know what the Mayor of Gibraltar is going to be telling outsiders. That is the point that

has to be kept in mind and of course the power to do that would lie in us because we would be electing the Mayor of Gibraltar and we could ensure that it is an elected Member whose views are well known on crucial issues. Thank you, Mr Speaker.

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

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

The following Honourable Members voted against:

The Hon A J Haynes  
The Hon P J Isola  
The Hon A T Lodd  
The Hon G T Restano  
The Hon W T Scott

The following Honourable Member was absent from the Chamber:

The Hon Major R J Peliza

The Hon A J Canepa's amendment to the Hon J Bossano's amendment was accordingly passed.

Debate continued on the Hon J Bossano's amendment, as amended.

HON A J HAYNES:

Mr Speaker, I am glad to see the House is calmer now after the Chief Minister's initial reaction of being peeved. When he was peeved, Mr Speaker, he said words to the effect that he couldn't be bothered with these matters whilst he was working so hard in things of importance like the Nationality Bill. Is he insinuating that we haven't worked on the Nationality Bill? Does he want to know who has worked on the Nationality Bill? Does he want to know the facts of the work involved on that? No, of course he doesn't. I am sure he wouldn't want to create a wrong impression on that issue. Again, he argued on the lines that we attack Government to rob them of the lustre, I think was the word, of their governmental glories. Is that why we attack Government on Housing, because they are doing so well? Because we are jealous? Mr Speaker, we attack

Government, we criticise Government, when they do things wrong or when things need correction and again the Chief Minister accused my colleagues of being petty. I think pettiness is when a Chief Minister becomes peeved at any criticism and what particularly peeved him perhaps was that the criticism was by way of his own quotations. It is easily clearly established that in the past the Chief Minister's view has been that the Mayor must be an elected Member and now when these words are thrown at him he camouflaged the whole situation by claiming that he is too busy and that it is too petty. And what does this House, Mr Speaker, think of the attitude: "Well, I don't care how many times you ask for it, you are going to wait and the more you ask the longer you will wait." Is that responsible premiership? And then we come to Mr Joe Bossano. He also thinks too much is going on to bother about things like this. What was he doing when the Nationality Bill campaign was going on, eh? Of course, Mr Bossano was fulfilling his electoral promise of an effective and strong Opposition and his Opposition is to the party that poses the greater threat to him. And then we have the Hon Mr Canepa who proposes to intimidate this House with a sense of higher purpose. "Why should we bother with these things?" he says. "We are bringing the House into disrepute, we are bickering." Well, bickering is a state of mind, it is the way you look at it. If he thinks that a matter of constitutional importance is petty then let him say so. And the Hon Mr Bossano also brings up this point that this is a Public School debating forum, that everybody is being petty, when it suits him but when he is scoring points he scores points. I think what does bring the House into disrepute is this continuous allegation that it is all petty. There is nothing petty about the Constitution and on this I would add those statements made by the Chief Minister who was trying to make it clear to the people, especially in these troubled times that we have moved away from colonial status, and he emphasises the importance of the Constitution in that respect. I have listened with interest to those things and I do believe them. So, Mr Speaker, anybody can rise and make an angry statement and make people hot under the collar as I am sure you are now but that was not the purpose of this motion. This motion was brought, was carefully worded not to give offence, it was put across with a genuine intention. We do not object to Mr Serfaty but we do not want the Constitution played about with and nor does the Chief Minister. And his reason for not wanting to change matters is because his Government is under a lot of pressure. Well, let him say that and not and try and stir up enmity in this House, not reduce it to bickering.

HON CHIEF MINISTER:

If the Honourable Member will give way. I will read to him part of my reply to the question asked by the Honourable mover in December, 1980. I said that I had spoken to the Leader of the Opposition, and I said: "I have since then kept this matter under review but that the serious accident

suffered by Mr Abecasis has put an undue strain on the workload of other Ministers and this has been an important factor". I didn't want to mention this before for obvious reasons but since he is saying that I am changing, I did say that in December, it isn't the workload now, it was then.

HON A J HAYNES:

I am glad for that intervention, Mr Speaker. I do hope that for the rest of this debate we can treat the matter as a matter of genuine business, worthy of this House's consideration and business which should be conducted without rousing personal animosity.

MR SPEAKER:

We are now on Mr Bossano's amendment, as amended. If the Hon Mr Bossano does not wish to reply I will put the question.

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

The Hon I Abecasis  
The Hon J Bossano  
The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon J B Perez  
The Hon Dr R G Valarino  
The Hon H J Zammitt

The following Honourable Members voted against:

The Hon A J Haynes  
The Hon P J Isola  
The Hon A T Loddio  
The Hon G T Restano  
The Hon W T Scott

The following Honourable Members abstained:

The Hon D Hull  
The Hon R J Wallace

The following Honourable Member was absent from the Chamber:

The Hon Major R J Peliza

The Hon J Bossano's amendment, as amended, was accordingly passed.

MR SPEAKER:

The original motion by the Hon G T Restano, as amended, is now before the House. Are there any other contributors?

HON P J ISOLA:

I would like to say a few words which I have not said on the amendments in relation to the original motion. I think Honourable Members will wonder why this motion has been brought when we have all been saying what wonderful work the present incumbent of Mayor is doing. I don't think that the Members of my Party have been anything but over generous, in fact, I think they have been a bit over generous, Mr Speaker, in the remarks they have given to a man although now retired from public life, is closely identified with the Party which we oppose electorally and perhaps they have been over generous but they have said it and they have said it, I think, because they meant it. They have said that Mr Serfaty had done good work as Mayor and I fully subscribe to that myself. I think I shall try and keep the tone of the debate, Mr Speaker, to the level to which it has been uplifted by my Honourable and Learned Colleague, Mr Haynes, when he spoke to the question. I don't have very much to add to what he said. I think he has put the issues fairly straight. Mr Speaker, the Honourable Mr Restano has spoken to the motion and he said that in his view the holding of the post of Mayor by a person who is not a Member of the House is unconstitutional, is against the Constitution of Gibraltar under which we work and under which we survive. I agree with him, I think it is unconstitutional. It is not a question of the spirit of the Constitution, I believe that under the Constitution it is quite clear that the Mayor of Gibraltar must be a person elected from the Members of the House of Assembly, and that is a fact. I know people have different views on that and I suppose the only way it can be determined is by an application to the court for a declaratory judgement on the position. Whether the mover does that or not, I don't know, but I think that is the only way it can be resolved. I share the view of the Mover that it is against the Constitution to have somebody Mayor who is not a Member of the House. Of course, if it is against the Constitution it is obviously against the spirit of the Constitution. I must remark here, Mr Speaker, on the statements that have been made about the absence of my Honourable and Gallant Friend, Major Peliza, and about him breaching the spirit of the Constitution in standing for election in Gibraltar. I totally reject that argument and I reject it, Mr Speaker, for a very good reason. My Honourable and Gallant Friend stood for election in Gibraltar in 1976, and was elected despite great opposition from the political party opposite on the grounds that the Chief Minister has stated and the public have rejected that. The people of Gibraltar had rejected that interpretation in a democratic vote and again it was used rather more strenuously and rather more strongly by the members of the party opposite in the elections in

1980 and again it was rejected by the public, my Honourable and Gallant Friend achieving I think it was fifth place in the polls. That, to my mind, settles that argument, well, it doesn't settle it because it will never be accepted by the other side, but as far as the public of Gibraltar, as far as people have been given an opportunity to vote on the matter, they have decided that issue. The people have not been given an opportunity, I think this is a big difference, to vote on the other issue as to whether the post of Mayor, which is a delicate and responsible post, should be held by somebody outside the House of Assembly. So there is that very vital difference in the argument that the Honourable and Learned Chief Minister put before the House. I would go further and say this. If the incumbent of the post of Mayor had been somebody else, any other ex-member of the House, then there might have been a lot of popular condemnation of it. One hears that the post of Mayor is equated with that of a Minister and my friend Mr Serfaty is still regarded as a Minister by a great number of people in Gibraltar because he is Mayor and these are one of the things that are associated with the office today in the Constitution as it has worked out between 1969 and 1981. Mr Speaker, no one has suggested the possible solution out of a situation like this, out of the overburdening of Government Ministers with their responsibilities, no one has suggested, and please don't answer, Mr Speaker, a possible approach to the Chair to resume the job of Mayor which he carried out so excellently when he did carry it out or, alternative, to hold consultations with the Opposition to see whether a Member of the Opposition would like to carry the post as long as the Constitution says what it says. As I said before, we live by the Constitution and we survive by the Constitution and I think the motives of my Honourable Friend Mr Restano in bringing this motion to the House were perfectly proper motives and he has himself paid tribute to the work of Mr Serfaty. I think, again in fairness to him he has waited some time, it is now a year and a half since the elections and that is quite a considerable time in which to have resolved this matter. I do not think it is unreasonable because if he had not brought it up in this House he would have had to wait till the next House which may be October or November and that would have been almost two years. I think that Honourable Members opposite must respect the opinions of other Members of the House, must respect the principles as put forward by my Honourable Friend Mr Restano and frankly, Mr Speaker, I think that according to the Constitution he is absolutely right and therefore we cannot but have supported his motion without in any way, and I must repeat it, without in any way detracting from the work that Mr Serfaty has done as Mayor. One last word, Mr Speaker, we kept being told that we voted against Mr Canepa, I think I voted in favour of the Honourable Mr Canepa when he was elected Mayor by the House, contrary to other people, and I do not recollect what I did with the Honourable Mr Zammitt I think he was in our bad books at the time but, of course, that is why it is left to the House. We would like it to be a unanimous decision always but if we cannot agree then it cannot be and the majority will then decide. Thank you, Mr Speaker.

HON ATTORNEY-GENERAL:

Mr Speaker, I had not intended to make a contribution but in view of the fact that views have been expressed as to the legal position on the other side and also I think that one Honourable Member referred to advice I had given, I would like at least to place on record my opinion, I appreciate it is an opinion, but my opinion as to what the law is on the matter. There is, of course, a distinction between the law, what must be observed, on the one hand and practice and I will confine myself purely to my opinion as that this point I do not think it is appropriate for me to comment at this stage of what would be the correct practice. It seems to me that the section of the Constitution simply says that to be eligible to be elected in the first place to be Mayor you must be a Member of the House and I notice that other provisions of the Constitution and I am thinking particularly of the provisions for the qualification for election as a Member, and go on to say that they specify what the qualifications are and they go on to say what the conditions are on which one could be removed and the section dealing with the Mayor does not say that, it simply goes on to say in subsection (2) that the Mayor shall hold office on terms and conditions which may be laid down by Gibraltar Council and that, to me, speaking as to the law and not necessarily as to the practice seems to be the essence of the matter but the tenure of a Mayor while he must be in the first place to be elected, be a Member of the House, his tenure of office is to be determined under subsection (2) and I think where there are no such rules, drawing on the general principle that he who has power to create has power to take away, if there were no such rules then I think, if I may say so, that in the absence of the rules it would be a matter for the House to decide what the terms of tenure were.

HON P J ISOLA:

If the Honourable Member will give way. There is one thing that puzzles me on that interpretation. It says here that a Mayor will be elected by the elected Members of the House, it does not say when his term of office ends. Therefore, could that Mayor once elected be able to say when the House came back and elected another one, not having been removed, could he not argue he was still the Mayor because of this section?

HON ATTORNEY-GENERAL:

I think it would be an implied repeal, if I may use the expression. Obviously the Constitution contemplates one Mayor and if a new one is elected I think there must be an implied revocation of the previous appointment. Sir, that is all I wish to say just to place on record my own opinion as to what the legal position concerning the Mayor is and as I said at the outset I do not comment on the practice.

MR SPEAKER:

Does the Honourable Mover wish to reply?

HON G T RESTANO:

Mr Speaker, I think the sum total of the contribution of Ministers in this debate has been a diatribe against my Honourable and Gallant Friend Major Peliza, who is not even here, and myself and I think this demonstrates, perhaps, a guilty conscious on this matter because I think the Government has taken the adage of attack being the best form of defence and they were on the defensive, they have been on the defensive all along on this motion, they have been on the defensive because they have not been able to answer not once have I heard the amendment of the Honourable Mr Canepa to Mr Bossano's amendment saying that in the future what should be done but not once have I had one single argument as to why, when the Chief Minister considered that it was, way back in 1972, in the spirit of the Constitution that the Mayor should be a Member of this House, I have not heard one single argument either from the Chief Minister or from any other Minister why today that interpretation has not been carried out. Therefore, I consider and I do not want to go on very long, Mr Speaker, I could very easily go through a lot of things that have been said by the Ministers but really I think it is a waste of time. What I do think is not a waste of time and particularly what the Honourable Mr Zammitt said was a waste of time but what I do think is important to reply to is to what the Honourable the Attorney-General has just said and he has missed, I think, the point completely. The point is that the spirit of the Constitution requires that the Mayor of Gibraltar be a Member of this House and this as I said has been confirmed by the Chief Minister as well as by our side and that point has been completely missed by the Attorney-General. I think that he should well look into the law again because I think that it is more than just the spirit of the Constitution, I think it is unconstitutional for this state of affairs to continue.

Mr Speaker then put the question in the terms of the Hon G T Restano's motion, as amended, which read as follows:

"This House considers that though the present Mayor of Gibraltar was a member of the House of Assembly when appointed, in accordance with the Constitution, consideration should be given when the Constitution is next amended that any future Mayor should not necessarily have to be a member of the House of Assembly."

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

The Hon I Abecasis  
 The Hon J Bossano  
 The Hon A J Canepa  
 The Hon Major F J Dellipiani  
 The Hon M K Featherstone  
 The Hon Sir Joshua Hassan  
 The Hon J B Perez  
 The Hon Dr R G Valarino  
 The Hon H J Zammitt

The following Honourable Members voted against:

The Hon A J Haynes  
 The Hon P J Isola  
 The Hon A T Loddó  
 The Hon G T Restano  
 The Hon W T Scott

The following Honourable Members abstained:

The Hon D Hull  
 The Hon R J Wallace

The following Honourable Member was absent from the Chamber:

The Hon Major R J Peliza

The Hon G T Restano's motion, as amended, was accordingly passed.

The House recessed at 4.15 pm.

TUESDAY THE 14TH JULY, 1981

The House resumed at 2.15 pm.

Debate continued on the Hon P J Isola's amendment to the Hon J Bossano's motion which had been deferred from the previous day.

HON CHIEF MINISTER:

Mr Speaker, when we adjourned I said we would like some time to consider this and see whether there was a possibility of a consensus. We have tried and I think though we are all agreed on the aims I think we have a difference of approach as to how to achieve them and therefore it has not been possible to agree to a consensus motion. As I was saying, we all agree on what we want and the aims but we seem not to be completely ad idem on how it can best be achieved so I am now speaking on the amendment and the reasons why the Government cannot accept the amendment. In the first place, the amendment of the Leader of the Opposition deals only with the point at sub-paragraph (a) of Mr Bossano's motion. The Government considers that capital aid and land referred to in the other

sections of Mr Bossano's motion are of great importance and an omission, having had it before the House, is much more significant than no omission at all and therefore as we attach great importance to that and there is nothing in the amendment that deals with that, that is one more reason why we cannot accept the amendment in the form it is. When I said yesterday that the Government would vote in favour of Mr Bossano's motion, I said it was subject to a number of stated reservations and qualifications which I mentioned and I would like, if I may, just to quote because the same applies to this one, a very brief note of what I said yesterday when we said: "Ministers would support the motion on the understanding that its terms are an expression of aims and not a pointing of the pistol. We believe that those aims are capable of achievement but that the way of achieving them lies in friendly and trustful consultation each side being fully aware of the other side's difficulties rather than in demands from the one side or hasty and precipitate action on the other." Mr Speaker, if I said that in respect of what is now relatively a moderate motion I must say so much more in the case of the amendment. I think the amendment is unhelpful because it does not pursue a way of friendly and trustful consultations in order to achieve our objective but makes a demand which any realistic politician must know has no chance whatever of being accepted and if it is not accepted, then what? I would like to say that whereas at the beginning I was particularly struck by the last words of the motion about "considered, agreed and successfully implemented", I think it would make no difference even if the word "successfully" were taken from the motion. The approach would be the same, that of the pistol and that we do not agree in these circumstances is the ultimate and best way of dealing with the matter and, of course, the effect on public opinion in Gibraltar would be, if the amendment were to be approved by the House could well be to give a big boost to morale because we are going about it with hell and fire but if we are agreed, as I believe we are, that the demand if made has no chances for success then it would be quite a severe blow to morale and an unnecessary slump when it is rejected. We, therefore, see no value and no point in the amendment other than to make it appear that the Leader of the Opposition is taking a tougher line than the Government in protecting Gibraltar's interest. This may be so in appearance but certainly it is not in reality. We believe that our approach, the way we are going about it, has a far greater chance of success. I have, since I last saw Sir Ian Gilmour, been in touch with him since last week. I have informed him of the doubts and anxieties which have been expressed since my return and I have received the following personal message from him, and I quote: "Gibraltar may as always be assured of the most sympathetic consideration of the British Government. At the meeting in London last week with you, you were assured of the continuing commitment for supporting and sustaining Gibraltar. As the details of the defence programme are worked out, there will be full consultation with the Gibraltar Government over the effects on the Gibraltar Dockyard and the Airfield. The Chief Minister was

perfectly right in his understanding of the British Government's determination to proceed in the closest cooperation with all concerned in Gibraltar." That is the message and the attitude conveyed in that message is one of a most sympathetic consideration of a continuing commitment for supporting and sustaining Gibraltar and of full consultation and of a determination to proceed in the closest cooperation with all concerned. Our response to this attitude, Sir, is first to impress on the British Government in its current review of MOD activity in Gibraltar, to maintain the highest level of employment in this crucial sector of the economy and I would remind the House that the official British Government position is as set out in the White Paper and in Mr Nott's statement and that no specific proposals have just been put forward by the Ministry of Defence. Secondly, if cuts are inevitable we have asked the British Government to ensure that they are phased and coordinated with the introduction of alternative measures in such a way as to maintain a high level of employment and economic stability. I think, I would say again, that our aims are similar but we differ in the manner of our approach. The Government was and is able to vote with reservations on Mr Bossano's motion, it cannot support the amendment. It is an impractical and an unrealistic amendment and I am sorry to say, an irresponsible one if only because its demands clearly have no chance of being effected. If the amendment were to be as adopted by this House, what do we do when inevitably it is rejected in London? Surely, a far more responsible course and one which is more likely to succeed in Gibraltar's interest is to work closely with the British Government in the spirit of that sympathetic consideration and cooperation which has been expressed by the Lord Privy Seal. If we were to find that the Ministry of Defence proposals once available were really and demonstrably unreasonable and damaging, that would be the time for forceful protest at whatever level might be necessary. I think as I said yesterday that there is a need for unity in Gibraltar and for this House to provide responsible and determined leadership. I think also that it is not in Gibraltar's interest simply to dump the problem in the British Government's lap and to make no attempt to help itself. If that were, indeed, to happen it is surely far better for us to be involved in their preparation and discussion in the Governor's Committee and if necessary in London and do everything possible to influence events rather than to abdicate any responsibility in their development and in the improvement of conditions that would eventually be for the better of Gibraltar.

HON G T RESTANO:

Mr Speaker, I think it has been unfortunate that where it was envisaged that perhaps a consensus motion could be reached between the Chief Minister, the Mover of the amendment and the Mover of the original motion, that such a consensus apparently has not been reached. I think it would have been in the interests of Gibraltar as a whole that such an amendment should have been reached. I just want to talk, Mr Speaker, having said that, on the amendment itself and

what the amendment, I think, was trying to achieve and that was to highlight the section in the Defence Paper on Gibraltar where the British Government confirmed its obligation to support and sustain the economy of Gibraltar. I think that is primarily what the amendment was trying to highlight. Secondly, the amendment was trying to achieve one thing for Gibraltar, trying to achieve not just support and sustain on the basis of, say, budgetary contributions if the Government of Gibraltar found itself to be in a difficult position but support and sustain for jobs in the Dockyard particularly and jobs in those ancillary areas which are tied up with the Dockyard and I think that was what the amendment, and I think very rightly so, was trying to achieve. I am disappointed that the consensus motion has not been able to be agreed upon and I don't know whether the time element has been long enough, I don't know whether discussions could possibly if they were continued for a few days could, perhaps, get the three parties together to reach a consensus. I think it would be far better to reach a consensus agreement on this because it is important as I am sure that Members on the other side and even the Mover of the original motion would agree that it is a good thing to confirm in this sort of motion the one commitment in the Defence White Paper of the obligation which the British Government considers that it has to support and sustain the economy of Gibraltar. I would suggest, Mr Speaker, that although we are here today to discuss this motion it might be in the interests of Gibraltar as a whole for us to adjourn perhaps for a few days or until next week, and that further meetings should be held so that a consensus agreement should be arrived at. I think, responsibly, that is what all the elected Members of this House would wish. I don't think, Mr Speaker, that I have anything further to add because I do feel that it is important that it should be a unanimous House which votes for a unanimous motion on such an important matter as this.

HON CHIEF MINISTER:

We discussed that this morning when we had a meeting and the point is that I do not think that it is proper to hold a motion of this nature any more and to be quite frank I would have insisted despite the aversions of the Honourable Mover but I did not see the prospect of a settlement having regard to the attitudes at the meeting that would have given me any hope. I did suggest that, the Honourable Leader of the Opposition will agree, that I did suggest that.

HON P J ISOLA:

I suggested that.

HON CHIEF MINISTER:

You suggested that and I did not oppose it, I forget now because I always like to compromise if it is possible but

I am afraid that it was the Mover's views against the further adjournment, as you know adjournments are no problem to me, they only put off the evil day and you get on to something more evil immediately after. I do not think that the minds are sufficiently near but if it is the will of the House I don't mind but I think perhaps the Mover who really brought the matter before the House initially, his views I think are of particular relevance.

MR SPEAKER:

I will allow the Mover of the original motion to speak on the advisability of having a recess and nothing else. That is what we are discussing now.

HON J BOSSANO:

Mr Speaker, all I can say is that in the proceeds of consultation that we had this morning, at the end of it, the Hon and Learned Leader of the Opposition as a result of some explanations that I gave him of the sort of attitude towards the size of the Dockyard that I had had from official employers in the past said that he was more convinced than ever that the right approach was the approach advocated in his amendment. As far as I am concerned the amendment is not just a rephrasing of my motion retaining its original content and putting it in another way where it may be better expressed or more clearly expressed, it is a fundamentally different approach, an approach which I understand is impossible for the Government to adopt, quite frankly if I had thought that it was an approach that had mileage in it, I would have suggested it myself and consequently I can tell the House that since my position is that I doubt very much the wisdom of the attitude implicit in the amendment but I am prepared to associate myself with that if that is what the majority think although I think that it means hitting our head against a brick wall it would not be the first time I have done that. I have advocated what I think quite rightly has been described by the Honourable and Learned Chief Minister as a more moderate line and if we are talking about having a recess to persuade Mr Isola and his colleagues to be more moderate or to persuade the Government to be more militant, which of the two it is I am not sure, but it seems to me that there is a fundamental difference and that that came out quite clearly in this meeting and I think it is not a question of rephrasing or rehashing it, it is a question of either we take one course of action or we take another course of action. I can see nothing to be gained and I feel it is a bad thing, much as I would desire that the thing should be unanimous, quite frankly, I don't see why the Opposition cannot support my motion even if they think it should be even tougher.

HON P J ISOLA:

I shall just reply, Mr Speaker. You want my views on the recess, it is as I said this morning in the meeting that I was quite happy to withdraw my amendment if the Honourable Mover also withdrew his motion or we left it over till October at our next meeting by which time we would probably have more information about what the British Government's attitude to Gibraltar in clear and concise terms was and on that basis I was quite happy to do it but on the present basis I felt that this was the right thing for Gibraltar I think it was the Hon Mr Bossano who felt he could not allow the motion to stand over until October for reasons which he explained to us and which I readily understood.

MR SPEAKER:

I think, as I have often said in this House that a matter of recess is for me to decide, a matter for an adjournment is for the House to move. From what I have heard I don't think that I am entitled to recess the House and unless there is a motion for the adjournment to a later date the debate will continue. The debate now is exclusively on the amendment as moved by the Honourable and Learned Mr Peter Isola. Is there any other Member who wishes to contribute to the amendment? I will then call on the Honourable and Learned Leader of the Opposition to reply to the amendment.

HON P J ISOLA:

Mr Speaker, the amendment has had the effect, I suppose, of getting a further message from the British Government.

HON CHIEF MINISTER:

No, I am sorry, it is not correct to say that the amendment has produced a further message, no, under no circumstances.

HON P J ISOLA:

The message looks as if it comes through the Governor.

HON CHIEF MINISTER:

The message did come from the Governor but it came earlier. It was not relevant yesterday but it is relevant today.

HON P J ISOLA:

I don't see how something that was not relevant yesterday becomes relevant today unless it is being used as ammunition to press home a charge of the responsibility, I don't know,

but there is one alarming point, Mr Speaker, in the message that has been received, that I notice the airfield has now been pushed into the melting pot and there is nothing in the Defence White Paper on the airfield at all, on the contrary, the Defence White Paper refers to maintaining and possibly increasing the role of the Royal Air Force throughout the world especially in support of maritime operations. I would have thought Gibraltar there was clearly a vital place but I notice it has been mentioned. Let me say that the basis for this amendment and the basis on which I maintained it at this meeting today and let me say, too, that as far as this meeting this morning was concerned, if there had been presented an amendment that reasonably kept in the sentiments in my amendment and even added the other two points, paragraphs (b) and (c) in the motion of my Honourable Friend Mr Bossano, I would not have dissented from that, in fact, I said it in the House, I would not have dissented from that and as I explained this morning the reason why I dropped paragraphs (b) and (c) about capital investment and about release of lands was because those two factors, although they might be important in an alternative economic strategy for Gibraltar, they might not be the solution. We have not got, at least I felt we do not have a readymade solution to the problem that has arisen and what I wanted the House to say here, as representing the people of Gibraltar, was that you have a commitment to us as you have freely admitted so often of supporting and sustaining Gibraltar and the main support of Gibraltar, the maintaining and supporting, is in defence expenditure and you have conceded that obligation to the White Paper and all my motion does and if that is pistol pointing, Mr Speaker, then I have thoroughly misunderstood the whole of the White Paper and British Government policy to Gibraltar because if that is what the thing is all my motion is asking is for an undertaking from the British Government to maintain the level of expenditure until an alternative economic strategy has been considered, agreed and successfully implemented. That says no more, Mr Speaker, than the White Paper says. What has happened is that the British Government has said something in the White Paper and the Gibraltar Government and others have been prepared to accept a lot of other things that are not in the White Paper and have not stood by the position, and this is why I insist on this amendment, have not stood by the position of the obligation of sustaining and supporting and, in fact, Mr Speaker, I am surprised that the Chief Minister refers to responsibility and a call for unity in the circumstances of this amendment that we are disrupting unity or that we are being irresponsible because this motion says in another way what the Chief Minister answered me in a number of questions of clarification that I asked on his statement in the House on his visit to London where I asked him specifically had he got the assurance that the level of expenditure would be maintained until an alternative strategy had been developed or implemented and the Chief Minister said yes and it was reported in GBC, that was the only thing that was reported in my supplementary questions on the GBC that night and the record will show that I asked for that assurance and the Chief Minister answered yes. That is what this amendment says. If I am pointing a pistol the Chief Minister pointed a pistol the

other day at the British Government and I am not pointing a pistol and I think it is nothing short of almost terrorising or pressurising or even blackmailing the Opposition into supporting the other motion by putting charges of irresponsibility and pointing the pistol at the British Government's head. That is not what this amendment is doing and it is not intended to do and I belong to the Democratic Party of British Gibraltar and we think that the future of Gibraltar lies entirely in friendship with Britain and in respecting each others position. We are not pistol packing mammas either. Mr Speaker, as I said before, we think that the issue has to be centralised to what the issue is. British Government policy is contained in the United Kingdom Defence Programme "The way Forward". There it says quite clearly "and consideration will be given to alternative ways of fulfilling the Government's obligation to support the economy of Gibraltar if it is decided that the Dockyard work there cannot be kept up indefinitely." I read that quite clearly to say that the British Government accepts that the Dockyard work in Gibraltar is part of the economy of Gibraltar, in fact, a vital part of the economy of Gibraltar and they say "alternative ways of fulfilling the obligation, if it is decided that the Dockyard work there cannot be kept up indefinitely." I was informed by my Honourable Friend this morning that if refitting stopped then obviously there would be a drop of a considerable number of jobs in the Dockyard and that, Mr Speaker, would mean that a decision had been made so the Dockyard work cannot be kept up indefinitely. We are assuming this straight away from what officials have said in Gibraltar and officials have said in England but that is not what the White Paper says and I think the stand of this House should be from the beginning "Right, we accept the White Paper, we accept its implications but we accept them fully." There it says that if it is decided that work cannot be kept up indefinitely in Gibraltar then alternative ways would be given to discharging Her Majesty's Government's obligation to support the economy of Gibraltar. What I don't want if possible, if it is not possible it is not possible, but what I don't want is Gibraltar to go through the possibility, Mr Speaker, of having unemployment and all the other ills that have befallen Great Britain. If we have to have them we have to have them but let us not ourselves start them. That is why I believe and the Members of my Party believe that the crucial issue on the Defence White Paper is and must be alternative economic strategy, if there is one. I am glad to say that the Honourable Mr Bossano and the Honourable the Chief Minister were very optimistic about that. I am not so optimistic but obviously we have to survive and we will have to look for some, but what I am saying is that the central issue is the support and sustain policy, the obligations in the White Paper accepted in that regard and the necessity for the House putting that in the form of an amendment. We think it is crucial to the survival of Gibraltar, that the present level of defence expenditure should be maintained until an alternative economic strategy has been considered, agreed and successfully implemented. Mr Speaker, I think the Honourable Mover, Mr Bossano, and I ought to say this because I explained it to him this morning but I think

I ought to say for the record of the House, he interpreted that as meaning that defence expenditure was to carry on right through until the economy was booming as a result of the successful implementation of the alternative economic strategy. That is not what is meant. What is meant by successfully implemented is that it has got under way, it is being implemented successfully not that the results have been successful. I think I ought to make that explanation because that I think seemed to worry my Honourable Friend Mr Bossano. I think it is a pity, Mr Speaker, that we cannot agree on an amendment and I don't agree with the Honourable Mr Bossano when he said that it is vitally different to his approach. I agree it is a tougher approach but I think he is thinking possibly in Trade Union terms by tougher, sort of saying that if we agree this motion then we have to almost go into rebellion or into military rebellion and marches and all that, that is not the intention of this amendment. It is a tougher amendment in the sense, Mr Speaker, that it seeks to crystallize the political commitment of the British Government to Gibraltar as I understand it and if I understand the Honourable and Learned Chief Minister correctly when I asked him questions when he made his statement, as he understands it and perhaps as Mr Bossano understands it and I think the people of Gibraltar should start off in the consideration of the alternative economic strategy from a position where we all understand what the commitments are on both sides. This is the commitment as I understand it from the White Paper, as the Honourable and Learned Chief Minister told me, and the record will show, in his answers to the statement and that is what the British Government should know is the interpretation in Gibraltar to the White Paper and to the assurances given to the Chief Minister by the Lord Privy Seal. If that is not the position, Mr Speaker, then of course the Government cannot vote for it and possibly the Honourable Mr Bossano cannot vote for it. We would like the Government and the Hon Mr Bossano to consider the amendment. As I said before, I would not object to adding other things to it, I would not object to the amendment itself being, let us call it, slightly toned down but the basic thing must be there, the two-way commitment must be there because that is what the White Paper says, that is what the Chief Minister has been assured is the position and that is the one that I think the people of Gibraltar would like to be reassured in the form of a motion.

HON J BOSSANO:

If the Honourable Member will give way. Surely, he must appreciate that if all that he was doing was stating the position that there is already, then (a) there would be no need for us to do anything about it because that would be the position, and (b) there would be no question of that being tougher than what I am saying because that would be something that we already have so that is not the position as I read this motion and I am voting in favour of this amendment. We are saying to the British Government that as far as we are concerned

the cuts do not apply to us until we have got the whole problem resolved and working, that is what we are saying, and that is for me a very tough line because we are saying, and I think the record shows in fact the Honourable Mover of the amendment putting that very forcibly when he moved the amendment originally, it is the British Government's problem, we must not take the responsibility on our shoulders, we must not come up with solutions. I am voting in favour of that, I think it is not wise but I have never been one to step back for fear of a confrontation, if we are going to have a confrontation I will be there, the first bloke shoulder to shoulder, no problems.

HON P J ISOLA:

I thank the Honourable Member for that intervention, Mr Speaker, and he has given me an opportunity actually to answer another point he made and which I had forgotten about. He said that this motion squarely puts the responsibility on the British Government. I don't think again that is quite the right interpretation of it. It puts the responsibility on the British Government insofar as they themselves have admitted the obligation in the White Paper and also in their assurances of support and sustain. To that extent the responsibility is on their shoulders and I think that is the proper position, it is not on our shoulders it is on the British Government's shoulders and it is a responsibility that they have freely undertaken and which they gave the people of Gibraltar in 1964 onwards and which is repeated in their latest statement of policy but that does not mean that they have to find the solutions. My motion talks of consideration, agreement and of implementation. Agreement always implies there are two parties to the question. Of course Gibraltar has to do its little bit in discussions, in thinking, in planning, in contribution, of course it has, and I don't deny that for one minute but the responsibility for sustaining and supporting Gibraltar and the responsibility and the obligation undertaken in the White Paper towards Gibraltar has been undertaken by the British Government not as a result of pistol pointing, not as a result of threats from Gibraltar, it has been taken by them as a Government in accordance with their policy and their friendship towards Gibraltar and that is all my motion is doing, Mr Speaker. I try to interpret what the White Paper says and not what has been said outside the White Paper by officials who do not speak necessarily for the political commitments of the British Government which are expressed by British Ministers and defence documents. Officials have a problem, the Navy has a problem, it has got to cut so it cuts, it cuts Gibraltar, Chatham whatever it has to cut because that is their job, to cut and get their money in but then there is the political responsibility in the case of Gibraltar which has been freely assumed by the British Government and I get very annoyed, Mr Speaker, and I get very insulted when I am told I am pointing my pistol at the British Government. In fact, if I pointed a pistol, Mr Speaker, if I fired I don't think it would do very much anyway but it is not pointing a pistol, it is saying what they themselves have said and what I am saying is as far as Gibraltar is concerned what we want having regard to the motion that has been moved by the

Honourable Mover, is an undertaking in the terms that I have asked for and it is no more than what the Chief Minister answered to me when I questioned him in the House. I cannot understand why the Government cannot support this amendment.

HON J BOSSANO:

Mr Speaker, if the Honourable Member will give way. If that is all that the Honourable Member is doing then can the Honourable Member explain to me what is the difference between his amendment and paragraph (a) because I understand paragraph (a) to be seeking a commitment beyond that already given. The Honourable Member accepts that his motion is tougher than mine and yet says that his motion is not seeking anything that we haven't already got. In describing what his amendment does he has said that it seeks to maintain the present level of expenditure in Gibraltar until an alternative economic strategy has been, and then instead of the word "developed", it reads "considered, agreed and successfully implemented." If he is saying that his motion is the same as mine but that he is expanding developed to mean "considered, agreed and successfully implemented" and that he is leaving out the words "short-term measure" because he wants it not to be quantified as to the length of time and that that is all the difference that there is between the two then really all the time that we have spent on the differences between the two has been wasted because there are no differences in principle, it is just a difference of terminology. I have not understood his sentiments to be of that nature and he appears to agree with me part of the time by saying that it is a tougher motion than mine and yet not agree with me part of the time because he says he is not asking for anything that we haven't already got and I would like him to explain how it is that he finds paragraph (a) unacceptable because I understand paragraph (a) to cover the commitment we have already got and to go a little bit beyond.

HON P J ISOLA:

Mr Speaker, I will explain to the Honourable Member. Let me say that my amendment takes what I find the weightiest part of my Honourable Friend's motion, that is one thing. It seeks to improve the phraseology by the elimination of "short-term measure", by the substitution of "developed". Developed could be considered, we are going to do this and that is it, by a more precise wording of "considered, agreed and implemented." It seeks to include, as I think we should include in motions of this nature, the British Government's commitment to support and sustain Gibraltar. It cuts out short-term measures and seeks to obtain an undertaking which the Honourable Mr Bossano has also asked for, to maintain the present level of expenditure in Gibraltar and it includes what I think is a substantial one and more particularly in HM Dockyard because I think that is an area that apparently could be in for the axe one way or

another so, generally, let me say it takes very much the sentiments of paragraph (a) of the Honourable Mr Bossano's motion, seeks to strengthen it, seeks to particularise it a little more, leaves out (b) and (c) because I think that is the crucial issue and we should identify that as the main problem today. But as I said during the amendment if it should be thought to add (b) and (c) again back to it, I find it a question of emphasis because I think there are probably a lot of other areas in which help could be sought, I would not object to it but that is the wording, I think, that this House requires to start off with in the exercise that we are embarking on. Let me say this, that I have brought this amendment because the subject came to be discussed in the House in the comprehensive way that it has been done and this is why I was quite happy today, for example, to have left over discussion of this motion until October when perhaps the picture could be clearer but I well understood the reasons why the Honourable Mr Bossano felt it could not be left over and I accepted them. All I am saying here, Mr Speaker, is what my Party's policy has been since the defence cuts, or the defence review, was announced, what I have taken up with the Governor, what I have taken up with the Foreign and Commonwealth Office and what I take up here and I think the views are shared on all sides of the House, it is a question of emphasis. I am sorry the Government cannot support this amendment and I am pleased to see the Honourable Mr Bossano can.

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

The Hon J Bossano  
The Hon A J Haynes  
The Hon P J Isola  
The Hon A T Lodd  
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 Zammitt  
The Hon D Hull  
The Hon R J Wallace

The following Honourable Member was absent from the Chamber:

The Hon Major R J Peliza

The amendment was accordingly defeated.

Debate continued on the Hon J Bossano's motion.

HON A J CANEPA:

Mr Speaker, it is abundantly clear to me that on this matter of the Defence Review and on the House's attitude to the Defence Review the wrong approach has been taken by the House, or rather should I say perhaps outside the House because it is my view that there should have been prior consultation before this meeting. There should have been prior consultation the moment that the Hon Mr Bossano tabled his motion by the Leader of the Opposition with the Chief Minister to see whether, in fact, a consensus motion could have been produced and having regard to the fact that this is the last meeting before the summer recess and that there could be further developments before the House meets again in the autumn, I think it would have been good if we had had a consensus motion which laid down basically the attitude of Members of the House and the principles by which we should be guided in any future discussions but, unfortunately, that has not been the case and that is why the Chief Minister was critical of the fact that an amendment to the motion was moved by the Leader of the Opposition in the manner in which it was moved. It is very well to say, Mr Speaker, that on numerous occasions, on many occasions, amendments in writing are sprung upon the House but surely, Mr Speaker, hardly ever on a matter of such fundamental importance. Sometimes when we have not been able to reach agreement on motions affecting the future of Gibraltar vis-a-vis Spain, a number of adjournments have had to be made and the difficulty has usually emanated either because the original motion has been totally unacceptable or amendments that have been sprung up on the House have been totally unacceptable. It does not seem to me that the motion of the Hon Mr Bossano is unacceptable. Perhaps, from what one has been able to gather from the Leader of the Opposition it does not go far enough but I don't think that it is unacceptable and it was something that we could well have built upon provided the call for unity which has been made in the House had meant something and provided that call for unity had been made by the Leader of the Opposition to the Chief Minister, outside the House. It is clear that the Hon the Leader of the Opposition has given a great deal of thought as to why he considered his amendment to be better than the motion now before the House. In winding up a few moments ago he went at great length in explaining his attitude to the motion. If he has given the matter so much thought what a pity it is, Mr Speaker, that in spite of talk about a bipartisan approach he has not been able to have prior discussions with the Chief Minister on the motion before the House met.

HON P J ISOLA:

If the Honourable Member will give way. Is the Honourable Member suggesting that I must have discussions with the Chief Minister on everything that the Honourable Member thinks I should but the Chief Minister has no obligation in a matter like this to have discussions? I did write to the Chief Minister on the 30th June, 1981, on this White Paper and I am awaiting a reply.

HON A J CANEPA:

Mr Speaker, it is the Leader of the Opposition that wanted to amend the motion. The motion is acceptable to the Government it was acceptable with the reservations that the Chief Minister has made when the motion was tabled. Why on earth should the Leader of the Opposition assume that the Chief Minister should be the one to get in touch with him? If the motion is not acceptable to him the burden, surely, is upon him if he considers that there should be a bi-partisan approach on the matter, to approach the Chief Minister and to see whether we can get a consensus motion before moving the amendment but quite honestly, Mr Speaker, hearing the Leader of the Opposition the other day and the now absent Major Peliza, I am slightly confused as to whether, in fact, a bi-partisan approach is wanted by the Opposition and to what extent it is wanted because whilst in one breath the Hon Major Peliza was saying that the Chief Minister should have taken the Leader of the Opposition with him to London to see Sir Ian Gilmour, later on the Honourable the Leader of the Opposition said that when he wrote asking to see Sir Ian Gilmour he was not concerned to accompany the Governor and the Chief Minister, he wanted to see Sir Ian Gilmour on his own. Who and what is one to believe, Mr Speaker, what the Hon Leader of the Opposition has said or what the Hon Major Peliza says and, therefore, to what extent is, in fact, the official Opposition united in a call for a bi-partisan approach on this matter? It is a pity that the Hon Major Peliza is not here to clarify his statement and it is a pity that the Honourable the Leader of the Opposition has already spoken on the motion and I don't know whether he wishes to clarify the matter or not as to whether he thought that he should go with the Chief Minister and the Governor to London or not, but I am prepared to give way.

HON P J ISOLA:

If the Honourable Member will give way, certainly, I will clarify it. Let me first of all say that the opinion expressed by the Honourable and Gallant Major Peliza was his own opinion as to what he feels in the circumstances and in the crisis of the White Paper the Chief Minister should have done, in other words, he should have brought the Opposition in, this was the opinion of Major Peliza, and he gave his reasons for it and it is an opinion that

I respect as his own and an opinion that, possibly, that has validity. My attitude was, as I explained, that I wrote to the Governor to seek clarification on the White Paper and, indeed, in one of his letters which has not been published that he answered, he told me that he was going to the United Kingdom and having a meeting with Sir Ian Gilmour, and the Chief Minister and I did answer that letter and I think all these letters were passed on to the Chief Minister following a conversation I had with the Deputy Governor on the telephone. I did say in one of my letters: "was I to assume from this that it is not proposed to consult the Opposition on this important issue. I think the British Government should bear in mind that as an alternative Government we might be called upon to implement decisions in respect of which we have not been consulted. That, you will appreciate, would not be fair and we could not be blamed if we came to the view that we could not feel ourselves bound by such decisions in such circumstances." The Governor did reply to that letter, he mentioned nothing about that from which I assumed that the position of the British Government was that it would be consulting only the Gibraltar Government and because that is the privilege of the British Government, it was because of that, that I then telephoned the Deputy Governor on the Friday before we left for London and sought an interview with the Lord Privy Seal as the official Opposition to (a) get clarification about the matter and (b) to see whether it was the intention of the British Government to adopt in which is really a very vital matter for the people of Gibraltar a different stand than they do in foreign affairs. That is my position and I said in this debate that I think this is important enough to warrant a bi-partisan approach but a bi-partisan approach means what it says, Mr Speaker, and I would remind the Hon Minister. It means giving the Opposition as much information or the Leader of the Opposition, as much information and clarification as the Chief Minister gets and putting me in the same position as I am in the question of foreign affairs, that is the position. So if the Minister gives different interpretations to the attitude that I am adopting and that of the Honourable Major Peliza, I don't think they are different at all, I think we are all trying to achieve the same thing.

HON A J CANEPA:

It is only natural, Mr Speaker, and he must expect that as a reasonably perceptive politician I hope that I am, I would note a dichotomy of approach and of view between the Hon the Leader of the Opposition and the Hon Major Peliza and the Hon Major Peliza did not say that this was his own view. He was speaking as if he were a spokesman of the Opposition on the matter. When I speak here this afternoon, whenever I express my own view and I have doubt or I might be in doubt as to whether it is a view which my colleagues may not share, I will say that it is my own personal view otherwise it can be taken, by and large, that what I am saying is

broadly the policy of the Government, otherwise I would not get up and speak on the matter. This is not the first time that it happens, Mr Speaker, we have now had a number of instances of late, a number of instances in recent months where Members of the Opposition do not appear to be ad idem with their Leader and they manifest that in the House. In Government we are guided by the principle of collective responsibility and any matter that I may not be in full agreement with my colleagues is a matter for Council of Ministers and I will not reveal that here. That is what is happening here and one just does not know what the exact position is. May I also add that the Honourable Major Peliza has not just expressed those views here in the House, he has been expressing them outside the House whilst the Leader of the Opposition was not in Gibraltar and whilst the Honourable Deputy was not in Gibraltar either and one just does not know, therefore, what weight to lend to those views but, anyhow, I am glad to have had clarification on the matter. Mr Speaker, I think that .....

HON AT LODDO:

..... cachondeo.

HON A J CANEPA:

Hardly that, Mr Loddó, hardly that. I don't know whether the word that he used is referring to anything that I am saying, Mr Speaker. Perhaps he might like to clarify. I think the matter is too serious, Mr Speaker. May be the Hon Mr Loddó approaches the matter with levity as he is wont to approach many matters, but it is too serious I think for that kind of word to be said out aloud for other Members in the House to hear it.

HON A T LODDO:

Mr Speaker, if the Honourable Member will give way. I approach things with levity that deserve levity. The question here today is far from being a matter for jokes but if the Honourable Minister infers that the Leader of the Opposition, rather, than the Deputy Leader of the Opposition was in the United Kingdom at the time he was for some flippant reason, then he is sadly mistaken. He should know that the Deputy Leader was in the United Kingdom for a very important reason.

MR SPEAKER:

With due respect to the Member that has not been insinuated in this House at all.

HON CHIEF MINISTER:

Not at all, it would appear he does not understand English.

HON A T LODDO:

Mr Speaker, I will assure the Chief Minister that I do understand English, I might have misunderstood the Hon Mr Canepa's English because I find it sometimes very difficult to understand the English that is spoken from the other side of this House.

HON A J CANEPA:

I think Mr Loddó, Mr Speaker, needs to grow up perhaps and I will not clarify what I was saying. I am sure that the Hon the Leader of the Opposition understood what it was that I was saying. Mr Speaker, I think that the main role that the House has to fulfil and to carry out on this matter of the possible impact which the Defence Review may have on the economy of Gibraltar is one of expressing its concern as the motion rightly does and as I was glad to see that the amended motion would have done in any case and giving leadership and attempting to educate the public on what the implications of all these issues might well be for Gibraltar. I say that because I have noted that the public reaction to the Defence Review has not been that of a well informed and a well educated public on the matter. It is amazing the number of people who feel that they are not going to be affected by either the closure of the Dockyard or by any serious cuts in the level of activity in the Dockyard. Those who are not employed in the Dockyard appear to think that they are not going to be affected. Those who are employed in the Dockyard, naturally, want to retain their jobs but it is a pity that after all the talk that there has been over the years about the effect of MOD spending, how Gibraltar could perhaps afford to implement the policy of parity of wages and salaries with the United Kingdom because of the multiplier effect of MOD spending and because of the revenue accruing to the Government from income tax paid directly by employees of the Dockyard and other revenue coming in as an indirect result of MOD expenditure, it is a pity that in spite of that the very serious possible repercussions do not appear to have been understood and I think that we have a very, very important role to play in the months to come in trying to get that message across. I think the message needs to be brought across because I am also afraid, judging from reactions that I have had personally, that there are always people who may be looking to see what they can get, what they can make out of any situation. It has not, for instance, been understood that talk of reducing pensionable age, retirement age or age of entitlement for an old age pension from 65 to 60 is something that can only be done in a certain context and not just because people are going to be made redundant in the Dockyard. I have had more than once now the apparent attitude expressed by people that here is a golden opportunity for them to get their pension at 60, they

have their pension from their employer, they get the old age pension at 60, they get another job and my God aren't they going to be well off and I think the sooner that we start disabusing people of that and really get the message across to them the better it is and we have that fundamental educational role to play in the exercise of leadership. The motion I think, Mr Speaker, with the reservations made by the Chief Minister, is acceptable to the Government because it lays down a number of sound principles, it also points to objectives which we should be guided by, I think, in any discussions that we may have in the next few months with the Ministry of Defence on the matter. The attitude for some years either from the MOD or perhaps under pressure from the Treasury has been that the Gibraltar Government should pay for whatever they can possibly get us to agree to pay for and so we have had difficulties from time to time in endeavouring to have economic expansion because the Ministry of Defence have not appeared to appreciate the need which the Gibraltar Government has to put a particular piece of land out to tender for development. We have had problems because particularly I think in fairness to the present Heads of Services I ought to say that we have had problems with their predecessors, the immediate past Heads of Services, we had serious problems with them last year when faced with the possible reopening of the frontier there were a number of measures that needed to be implemented and Heads of Services adopted a completely negative attitude, their attitude being one that, well, only the civilian community should be inconvenienced or affected adversely by the measures that needed to be undertaken if the frontier was to open and that the quality of life for Services personnel was absolutely sacrosanct. I am glad to see, Mr Speaker, that the present Heads of Services are far more cooperative and I think that Gibraltar, if the next few months are going to be crucial and are going to be difficult perhaps, I think Gibraltar is fortunate to have not only very helpful Heads of Services but to have the Governor that we have, to have the Deputy Governor that we have and I should also say to have other officials who are working very well with the Gibraltar Government whose help and advice we are going to need to overcome any difficulties that may loom on the horizon. There is a need, Mr Speaker, for a much more positive approach to the release of Crown Lands. If that approach had come in respect of the multi-storey car park, in respect of the Casemates project, there would be real prospects of that project being put in hand, perhaps it would have been put in hand by now. One would very much hope, therefore, that on a matter such as that one an early opportunity would be taken by the Ministry of Defence to try and reaccommodate those people so that this important project of great economic benefit to Gibraltar can be implemented earlier than what would otherwise be the case. What of other Government Departments of the British Government, I should say? As far as the ODA is concerned, Mr Speaker, we would like to see a very early and a very sympathetic response to the Gibraltar Government's aid submission and unless we get that, as I agreed with the Honourable the Leader of the Opposition, we are going to lose a year, there is going

to be a hiatus of a year at a time when we could ill afford, I think, six months ago and we can ill afford that even less now. The ODA have already been asking what can they do to help and we have already told them, for a start get a move on and let us have a sympathetic and an early response to the Development Programme but additional to that there are already here in Gibraltar, currently, two officials from the Overseas Development Administration on the initiative, I am glad to see, of ODA and they are here enquiring as to what immediate steps might be taken by ODA to help the Gibraltar Government prepare for any future discussions that might be held with the MOD following completion of the Defence Review. We are discussing with these officials the possible appointment of consultants to advise on the likely effect of any changes proposed for Her Majesty's Dockyard in Gibraltar and also that the consultants should advise on any possible alternative uses that could be made of any facilities released. We would also, I think, require advice from detailed studies that may be required for the wider diversification of the Gibraltar economy. We would also want, Mr Speaker, such consultants to advise us during the discussions which might be held following the Defence Review and on the time scale and of the implementation of any changes. So even whilst these matters are being discussed in the House, Mr Speaker, the Government has been doing its homework and we hope that we will get this early response from the ODA. I think, Mr Speaker, to talk at this stage and to feel that alternative uses for the Dockyard such as a commercial use, to think that that is something that can be implemented quite readily I think is not to be realistic. There would be difficulties and I think that we need top and expert help and we may need capital investment for different plant and equipment but it is something I think that is worthy of early consideration provided that the approach is that it is not the Gibraltar Government which has to pay but that it is the British Government that must pay and that is why we were not entirely happy, Mr Speaker, about the earlier motion of the Honourable Major Peliza, that was the objection that we had to that motion that the burden must not be put on the Gibraltar Government or on the people of Gibraltar to solve, to find our way out of our problems, we cannot do the donkey work for the British Government. I think the readiness and the willingness must emanate from them because whatever happens it will be the direct result, direct consequence of policy decisions taken by the British Government. To end, Mr Speaker, as I said earlier, the Government does feel that there are sound principles in this motion, principles which we can go along with because we have been dealing on matters such as the release of land, that a more positive approach was required and I think that these principles if discussions take place before the House meets in October, will be useful in the approach that the Government will be taking in its discussions with the British Government. Then, perhaps, when the House meets after the summer recess, if we are in possession of greater details as to the possible impact of the Defence Review on Gibraltar, I hope that the House will be in a position to adopt a unified approach on the matter and that before we come to the House consultations will be held outside

the House in order to achieve full unity here. Thank you, Mr Speaker.

HON A T LODDO:

Mr Speaker, I had not intended to speak on this motion but I have made a few brief notes and I will make another brief contribution. If I may be forgiven, as was the Honourable Mr Bossano earlier on for being over simplistic, the way I see it is this: We are faced today with yet another problem which is not of our making, the other problems being the frontier situation and the British Nationality problem, both not of our making. We are now faced with the problem of the Defence White Paper which would appear to spell out Gibraltar's future in the light of Great Britain's commitment to NATO. Being over simplistic the way I saw it, we had previously an amended motion which seemed to crystallise all this. I thought, on reading Mr Bossano's motion initially, that it seemed to cover everything but then on careful consideration I realised that we were leaving the door open because by trying to propose ways of solving this problem we were putting ourselves in the position where we could be told in future: "Well, this is what you suggested, we agreed to your suggestions and look what has happened." On an analysis of Mr Bossano's motion one could see that there were dangers there which the amended motion seemed to overcome. After two recesses brought on by panic stations by Government again, the best reasons they can give us in this House for not supporting the amended motion was that we were pistol pointing. The truth of the matter was that the Government was caught on the hop. I would not call it pistol pointing, Mr Speaker, I would call it being frank and if you cannot speak frankly to your friends, if you cannot address your friends openly, sincerely, then I don't know whom you can talk to frankly, openly and sincerely. Mr Speaker, again if I may be over simplistic, the problem today as I see it for Gibraltar is one of survival, no more and no less, and it will be a small consolation for the people of Gibraltar and for the Opposition if at the end of the day the only satisfaction, if that is what you can call it, will be to turn round to the Government once again and have to tell them: "I told you so."

HON G T RESTANO:

Mr Speaker, this motion I think is really the answer of Gibraltar to the Defence White Paper and therefore we have to be very careful that the answer is a comprehensive one. A lot has been said, I think most of the points that need to be said have been said but there is one point which I don't think has been made in the motion and that is there has been no mention of the commitment of the British Government, the commitment made in the White Paper of its obligation to support the economy of Gibraltar and I think it is required that that should be included in the motion. Obviously, the White Paper itself says that the economy of Gibraltar will be supported if it is decided that the Dockyard work there cannot

be kept up indefinitely and this is rather different to statements made by local officials in the Dockyard and by the Flag Officer which has created the greater amount of concern about the loss of jobs in Gibraltar so I think it is important, first of all, that we should have that included in the motion. The second point, so far as the motion is concerned, as I said earlier, I think was a pity that the consultations this morning did not lead to a consensus motion and I am going to bring in an amendment, Mr Speaker, which I hope will not go very far from the motion but will, perhaps, include the points that we feel are important and that could well lead to a consensus motion. First of all, what I intend to move is that in the first paragraph of the motion there should be included after the words "United Kingdom Departments" the following words: "welcomes the reaffirmation in the Defence White Paper of Her Majesty's Government's obligation to support the economy of Gibraltar if it is decided that the Dockyard work cannot be kept up indefinitely." That, I think, will cover the confirmation that Her Majesty's Government have considered it, it is their obligation to support the economy of Gibraltar. The second small amendment is in sub-paragraph (a) and that will be the deletion of the words "as a short-term measure". I think "as a short-term measure" is a fairly wide term and I think that a short-term measure could be a month, it could be two months, it could be three months, it is up to anybody to judge and what we feel is necessary is that the remainder of that sub-paragraph should remain exactly as it is except for the words "as a short-term measure" and it would then read: "That Her Majesty's Government should undertake to maintain the present level of expenditure in Gibraltar until an alternative economic strategy has been developed." Mr Speaker, I beg to move.

Mr Speaker then proposed the question in the terms of the Honourable G T Restano's amendment.

HON CHIEF MINISTER:

Mr Speaker, I am waiting for a copy of the Defence White Paper which is being brought here to check on the wording. I certainly would like to hear the Mover since it is his motion and not ours.

HON J BOSSANO:

Mr Speaker, the first part of the amendment clearly does nothing to alter the strategy developed in the motion and therefore there is no problem in accepting that. I think, in fact, the reaffirmation in the White Paper of the obligation on the part of Her Majesty's Government is welcomed although in fact it should not be necessary, it is something we are entitled to expect whether it is reaffirmed or not but every time it is reaffirmed it is a good thing because it gives us one more argument to use if we ever need to use it. As regards the deletion of the words "as a short-term measure"

I have no objection to the words being deleted. Let me say what my intentions were in putting the words "as a short-term measure" there and that is that in asking the House to support this motion as the response that the House of Assembly should give to the British Government, I wanted to make clear that in the first part which seeks to maintain the existing level of expenditure, we were not asking the British Government to maintain that indefinitely because for me that would be asking the impossible, that is asking something to which the answer would inevitably have to be in the negative and I prefer not to go to the British Government with something that I know before I go I am going to get a no to and consequently the only reason for the words "a short-term measure" there was because part of the strategy is to avoid what the Honourable and Learned the Chief Minister called a hiatus between one sort of situation and another sort of situation and the short-term measure is what is required to breach that gap. Without having to include it in the motion the fact that we don't include it doesn't mean the opposite, does not mean that we are necessarily asking the British Government to keep up Defence expenditure indefinitely in Gibraltar whether they require to spend that sort of money here or not for Defence purposes, that was my only intention in having it there, I have no objection to it being deleted but that is the explanation as to why it was there in the first place because I thought that it was better to make clear to the British Government that what we were asking them to do was only to give us the necessary breathing space, the necessary time to carry out whatever adjustments may be necessary once we know to what extent an adjustment would be necessary.

HON CHIEF MINISTER:

Mr Speaker, we have no difficulty with the first part of the amendment, it is adding a fact, a statement made by the Minister, which we welcome. I think that without that statement and, in fact, without the bigger commitment in the Constitution and generally, the motion would have had no sense, that is to say, the motion as it was originally drafted, as I took it, was against the background of the commitment made by the British Government to support and sustain otherwise we would hardly be telling them if we were dealing with another subject, we could hardly bring a motion here to say that the British Government should put our water supply correct or something like that on which they have had no commitment because it is the responsibility of the Government and therefore insofar as that is concerned, perhaps it is a word of gratitude that the House can express which I think we have all expressed in our reactions to the White Paper within the difficulties that we have had and we have no difficulty about that. The other one really, having heard the Mover I don't think that it is terribly important to keep the words or to remove them. Surely, if the present level of expenditure in Gibraltar cannot be kept, something must be put in its place. The point is when and how long will it take to do that. Whether it is a short-term or it is a five-year term or ten-year term that is another matter, only the future

will say what it is. As far as we are concerned we can go quite happily with both amendments.

HON P J ISOLA:

Mr Speaker, I am very happy to see that my Honourable Friend Mr Restano seems to have resolved the impasse with some clever drafting. I think that the absence of the words "as a short-term measure" takes the motion forward quite considerably because we now have an undertaking to maintain the present level of expenditure without the apparent time limit that the original motion had which was short-term which could have been short-term, shorter than some people thought. The motion now says Her Majesty's Government should undertake to maintain the present level of expenditure in Gibraltar and there are no time limits put in that amendment now so we on this side of the House must obviously be far more satisfied with that motion now being passed with the amendment of the deletion of the words short-term measure which necessarily imply that the undertaking to maintain the present level of expenditure is an on-going thing until an alternative economic strategy has been developed. Mr Speaker, we now feel able to vote for the motion, as amended, because of the substantial change introduced and agreed by the Government and by my Honourable Friend Mr Bossano whose powers of analysis I admire enormously.

HON A J CANEPA:

Mr Speaker, I am personally delighted to see that the Honourable Leader of the Opposition is now able to agree that they can support this motion. It surprises me though that he himself did not think of introducing the amendment about the obligation of the British Government when he is rightly on record on a number of occasions, publicly, of having underlined the importance that he attaches to that statement by the British Government.

HON P J ISOLA:

If the Honourable Member will give way. We would have preferred our amendment to have gone through for all the reasons I have explained but this particular amendment of my Honourable Friend at least puts no time limit on the undertaking and for that we are grateful. We must be grateful for small mercies, Mr Speaker.

HON A J CANEPA:

I would like to know whether they would have voted for the motion if these amendments had not been passed. One thought I would comment to him, what a pity that he didn't take the Hon Mr Restano with him to the meeting this morning because we would have been able to resolve the position very quickly

and instead of debating here for an hour and a half we might have come here for ten minutes only.

MR SPEAKER:

Does the Honourable Mover wish to reply to the amendment?

HON G T RESTANO:

I think it is unnecessary, Mr Speaker.

Mr Speaker then put the question in the terms of the Hon G T Restano's amendment which was resolved in the affirmative and the amendment was accordingly carried.

MR SPEAKER:

If no one else wishes to speak on the motion as it stands before the House now, I will call on the Mover to reply if he so wishes.

HON J BOSSANO:

I don't have a great deal to say, Mr Speaker, I think we have in fact looked at the situation from every conceivable angle already. I am glad that the motion will be passed with the support of all Members, I think it is preferable that it should be so if it can be achieved. I think, quite frankly, the strategy that I am suggesting may not be as radical as the Honourable Member might have wanted but I think stands a better chance of success and I think that is our most important responsibility at this moment to achieve success for the people of Gibraltar in this potentially very serious situation that we face. I would just like to take up a point made by the Hon Mr Loddo when he spoke just now when he said that his reservations about the motion which no doubt have now been overcome because it is no longer a short-term measure, because he is now going to vote in favour, his reservations were that we were trying to propose ways of solving the problem and that we could be told: "Well, we have done what you wanted us to do and look what has happened and that is your responsibility now." I think, as far as I am concerned, as far as my Party is concerned, we are prepared to take on that responsibility. We think that is a responsibility that we have to take, we are entitled to say to the British Government that they have got an obligation to help us but we have also got the responsibility to tell the British Government how we want to be helped, in what way we want to be helped and, therefore, I am not afraid of putting forward solutions although I do not have, as the Honourable and Learned Leader of the Opposition seems to think, a permanent economic plan which I carry around in my briefcase. I remember that I was asked this during the

election campaign by one of his Party supporters, Mr Beltran, and I assured Mr Beltran I did not have an economic plan in the briefcase and obviously the message has not got back to the Honourable Leader of the Opposition, so now let me put his mind at rest and tell him directly that this is not the case and that when I am talking about economic planning, it is not that there is a readymade plan shelved away which one brings out and that I am waiting to be in Government to do it, what I am talking is that in our approach to the running of the economy and I think today Gibraltar is in an ideal position to do something more concrete, more positive, more substantial in terms of economic planning than we have ever done before because we have got the Input/Output Study which we did not have before and we are going to have a census this year whereas the last census was ten years ago so we are going to have at our fingertips statistics which are recent and one of the problems, of course, in planning is that between the time one collects the information and the time one comes to use it, the situation can have changed. We have got an ideal opportunity, I think. We can turn what could be a potentially disastrous situation for Gibraltar to our advantage if we know how to grasp this opportunity and what my motion seeks to do is to show that we are looking at the situation, concerned because of its potential seriousness but not frightened of it with the sort of confidence that has been characteristic of Gibraltar for 270 years and I commend the motion to the House and the message to the people of Gibraltar that Gibraltar has survived and it will survive whatever obstacles are put in our way.

MR SPEAKER:

I will then put the question which is: "That this House is concerned at the possible impact on the economy of Gibraltar of any reduction in the level of activity of the UK departments, welcomes the reaffirmation in the Defence White Paper of Her Majesty's Government's obligation to support the economy of Gibraltar if it is decided that the Dockyard work cannot be kept up indefinitely and considers:

- (a) that Her Majesty's Government should undertake to maintain the present level of expenditure in Gibraltar until an alternative economic strategy has been developed;
- (b) that Her Majesty's Government should undertake to provide the capital investment required for any diversification plans;
- (c) that Her Majesty's Government should release to the Gibraltar Government such land as can be shown to assist the economic development of Gibraltar without any charges or re-allocation costs."

The question was resolved in the affirmative and the motion was accordingly passed.

HON CHIEF MINISTER:

Mr Speaker, I beg to move that the House do adjourn sine die.

Mr Speaker put the question which was resolved in the affirmative and the House adjourned sine die.

The adjournment of the House sine die was taken at 4.00 pm on Tuesday the 14th July, 1981.

# GIBRALTAR

## HOUSE OF ASSEMBLY



# HANSARD

26 October 1981

## REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Eighth Meeting of the First Session of the Fourth House of Assembly held in the Assembly Chamber on Monday 26th October, 1981, 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 and Trade  
The Hon M K Featherstone - Minister for Public Works  
The Hon I Abecasis - Minister for Tourism and Postal Services  
The Hon Major F J Dellipiani ED - Minister for Education and Labour and Social Security  
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 Major R J Peliza  
The Hon W T Scott  
The Hon A T Loddio  
The Hon A J Haynes

The Hon J Bossano

### ABSENT:

The Hon H J Zammit (who was away from Gibraltar)  
The Hon G Restano (who was representing the Gibraltar Branch at the CPA Conference in Fiji)

### 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 7th July, 1981, having been previously circulated, were taken as read and confirmed.

## DOCUMENTS LAID

The Hon the Minister for Economic Development and Trade laid on the table the following documents:

- (1) The Development Aid Licence Regulations, 1981.
- (2) Gibraltar Registrar of Building Societies - Annual Report, 1980.

Ordered to lie.

The Hon the Minister for Medical and Health Services (in the absence of the Minister for Housing and Sport) laid on the table the following documents:

- (1) The Gibraltar Museum Accounts for the year ending 31st March, 1981.
- (2) The Tourist Survey Report, 1980.

Ordered to lie.

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

- (1) The Educational Awards Regulations, 1981.
- (2) The Educational Awards (Teacher Training) Regulations, 1981.
- (3) The Accounts of the John Mackintosh Hall for the year ended 31st March, 1981.
- (4) The Accounts of the John Mackintosh Home for the year ended 31st December, 1980.

Ordered to lie.

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

The Imported Food Regulations, 1981.

Ordered to lie.

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

The Legal Aid (Fees and Expenses) Rules, 1981.

Ordered to lie.

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

- (1) Supplementary Estimates Consolidated Fund (No 2 of 1981/82).
- (2) Supplementary Estimates Improvement and Development Fund (No 2 of 1981/82).
- (3) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 2 of 1981/82).
- (4) Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No 2 of 1981/82).

Ordered to lie.

The House recessed at 1.05 pm.

#### ANSWERS TO QUESTIONS.

The House resumed at 3.25 pm.

#### MINISTERIAL STATEMENTS.

##### MR SPEAKER:

The Honourable the Chief Minister, the Honourable the Minister for Economic Development and Trade and the Honourable the Minister for Public Works have all given notice that they wish to make statements. I will therefore now call on the Honourable the Chief Minister.

##### HON CHIEF MINISTER:

Mr Speaker, it is with pleasure that I rise to make the customary annual statement on the affairs of the Gibraltar Regiment. This statement covers the period from 1 April 1980 to 31 March this year.

The establishment of the Volunteer Reserve is 191 and was 4 below strength at the end of the period under review. These vacancies have since been filled.

In addition to the three annual training camps held in Gibraltar during the period under review, a total of 114 members of the Regiment, drawn from the Light Troop, the Air Defence Troop and the Infantry Company attended training camps in the United Kingdom, at Larkhill, Manorbier and St Martin's Plain. Weekend and evening training continued to be held in the usual way. The Regiment also participated in Exercise Wintex. A number of the Regular members of the Regiment and volunteers successfully attended courses both locally and in the United Kingdom. In addition all members of the Permanent Cadre carried out a period of concentrated training spread over 10 days. The now traditional "local shoot" was held on 11 and 12 October. It consisted of firing to sea by both the 105mm PH and 40/70 guns. The 105s fired at oil drums and a barge in both the direct and indirect role whilst the 40/70 fired at a towed splash target and at the barge. A total of 100 105mm rounds and 250 40/70 rounds were

fired. Some Members will remember that the firing was done when there was an open day at Europa Point for the Military.

The Regiment performed the Ceremony of the Keys and carried out the ceremonial mounting of the Convent Guard as well as the usual ground holding party for the wreath-laying ceremony by His Worship the Mayor at the lobby of the House of Assembly on Remembrance Sunday. The Corps of Drums performed during Her Majesty's Birthday Parade, the Three Kings' Cavalcade and at the Royal Engineers Freedom of the City Parade. In addition, and as is now the usual practice, the Regiment provided a Port Sergeant and Escort to the Keys for all Ceremony of the Keys Parades. All Ceremonial Salutes were fired by the Regiment.

The House will be glad to note that the Regiment continued to participate in most sports, and assisted Youth Clubs and Organisations as well as participants in the Duke of Edinburgh Award Schemes. At this juncture, Mr Speaker, I am sure the House will wish to congratulate the Regiment's .22 small bore team for their performance this year. The Team won the Top Division of the Territorial Army Volunteer Reserve League and the Gibraltar Target Shooting Association 1981 League Championships.

The House will also be pleased to note that the Regiment run a weapons acquaintance course for members of HMS Calpe, the Royal Naval Reserve Unit. The aim of the course was to encourage competitive rifle, pistol and Sub Machine Gun shooting within the Unit and to improve weapon handling in general. Assistance was also extended to the Police. The Regimental Sergeant Major and other members of the Permanent Staff trained and prepared a Police Contingent for the 150th Anniversary of the Gibraltar Police Force Parade.

The Gibraltar Regiment Association met twice to deal with a number of matters affecting the Regiment.

Although this statement relates to a period ending on 31 March this year, I should like to mention one more item which I know will be of interest to the House. New rates of pay for the Regiment have been approved by the Ministry of Defence to be effective from 1 July 1981. I am informed that the increase in percentage terms are exactly the same as those awarded to the British Army. The increases vary from 8% to 15%.

Mr Speaker, should any member wish to have copies of the detailed Report I will be pleased to make it available to him.

In conclusion, Mr Speaker, I am sure this House will agree that the Gibraltar Regiment continues to play a very important and effective role in Gibraltar. Members will wish to join me in thanking the Regiment and wishing them well in all their endeavours.

HON MAJOR R J PELIZA:

Mr Speaker, on behalf of the Opposition I would like to join the Chief Minister in his last words of the report, in congratulating the Regiment. As I have heard nothing officially or even in the grapevine of any moans in the Regiment it is obvious that everything must be going well, otherwise it might have come to my ears. I am very pleased to say that all the problems of pay and equipment and things about which they seem to have an axe to grind seem to have been overcome in the last twelve months. I think it might be appropriate here to congratulate those who have retired and have done extremely good service in the Regiment over many years and also those who have been promoted in their places.

HON CHIEF MINISTER:

It is not included in the report because the report is until the 31st March.

HON MAJOR R J PELIZA:

The other thing, Mr Speaker, is that we also have another unit which does great work for Gibraltar, HMS Calpe, and I was wondering whether the Chief Minister might be able to bring a report to this House on HMS Calpe about once a year. I know we are not making any financial contribution to HMS Calpe and so this may not be possible from that point of view but I doubt very much whether HMS Calpe could have objection to our hearing of the performance of that Naval Unit in Gibraltar at, say, yearly periods as we are doing with the Regiment. I think it would of great satisfaction to the people of Gibraltar to know how much they are doing and particularly members of that Force themselves. Sir, I really congratulate the Regiment and even if we have not heard from HMS Calpe perhaps this is an opportunity to congratulate them as well for the work that they are doing.

HON CHIEF MINISTER:

Mr Speaker, I think there is a difference of principle. It is true that we make a contribution to The Gibraltar Regiment and I think it is also different in that the Gibraltar Regiment is the Gibraltar Regiment whereas HMS Calpe is a Royal Navy Reserve, a section of it, but insofar as the Naval authorities will be prepared to make available to us not a detailed report as is bound by the Ordinance to be done in respect of the Regiment but a report of progress and work, I am sure they are so proud of the good work that is done by the Calpe that I am sure they will give it and I shall be very happy to report yearly to the House.

HON MAJOR R J PELIZA:

Could I, Mr Speaker, ask the Chief Minister for the detailed Report, I would very much like to have one if I can.

HON CHIEF MINISTER:

Yes.

THE HOUSE RECESSED AT 5.10pm.

THE HOUSE RESUMED AT 5.30pm.

MR SPEAKER:

I will now call on the Minister for Economic Development and Trade to make his statement.

HON A J CANEPA:

Mr Speaker, in the course of my Ministerial statement during the last Budget session of the House I outlined the way in which the Government intended to give an impetus to private sector development with the emphasis on projects of a commercial and touristically oriented nature. The expansion of the economy continues to occupy a central pivot in our thinking and attention has also been given to other aspects of economic activity of interest to the building industry particularly in the field of housing. I considered therefore that this was an opportune moment to let the House know of Government's intentions in this matter.

Government would welcome proposals to rehabilitate and modernise existing Government accommodation aimed at helping to satisfy the continuing demand for more and better housing. This is particularly so in the case of young married couples who, for reason of their family composition and other factors, stand little chance of being offered Government flats in the near future but who would be prepared to invest in the purchase of a home as is normal elsewhere. A number of properties are available for this purpose and will be offered on conditions that will encourage this kind of development, thereby achieving earlier rehabilitation of property.

Government would accordingly consider, as an alternative, a form of cooperative venture development such as a Housing Association, in the case of the smaller properties, if satisfactory proposals were submitted that would ensure the proper modernisation or renewal of the buildings in question for the benefit of the participants. Such a scheme could not only directly resolve the problems of a number of families but could also result in a more in-kind return of the capital resources employed in providing the accommodation required.

We propose therefore to invite tenders in the near future for the re-development or modernisation of four derelict or sub-standard properties which will supplement the programme which Public Works Department themselves are scheduled to carry out in the short and medium term. The properties in question are two at Lower Castle Road, one at Devil's Gap Steps and one at Willis's Road.

There will in addition be a fifth property for which tenders will be invited. This is a derelict ex-MOD building in City Mill Lane. Tenderers will have the option of rehabilitating and modernising the four existing derelict quarters or of re-developing the property for residential or commercial purposes. The opportunity will be taken, as part of the scheme, to provide a footway which will link up City Mill Lane with Cannon Lane.

These proposals will I am certain be to the economic benefit of the community and will also inject a quasi-social element into the economic activity of Gibraltar which it is our aim to encourage and assist.

HON MAJOR R J PELIZA:

Will the Government be prepared to give some aid if associations in the nature that he says particularly from the social aspect that he has just mentioned, to give some aid if the Government finds that this cooperative is meaningful in this venture and needs some Government support to carry it out?

HON A J CANEPA:

I do not know whether the Hon Member means by aid, financial aid?

HON MAJOR R J PELIZA:

Yes.

HON A J CANEPA:

No, I do not think so.

HON J BOSSANO:

Mr Speaker, I take it that one of the main objectives, in fact, of this is to assist in the resolution of the housing problem. Consequently, will the Government, in looking at this project, give weight to whether people perhaps being willing to modernise these places for their own occupation, are in a position to give up existing Government property? Is Government looking at this in the context of one more approach to the overall problem of encouraging home owner occupation and releasing Government property, that is what I am asking; is that the main thrust of this?

HON A J CANEPA:

It is a fact that it would obviously be helpful. The properties in question are such that I very much doubt whether they could appeal to people who already have Government housing. I do not think it will appeal to them so much, I think what

we are hoping is to harness or mobilise the limited resources which young married people or people about to marry may be able to get hold of and the undoubted go and ability to do work for themselves which many young people seem to have. One can visualise that if a number of young people can get together and help each other out with regard to some of these properties, they might be able to undertake them as a joint venture with relatively small mortgage facilities, they might be able to modernise these into very reasonable accommodation for themselves but I doubt, having regard to the fact that they are old properties, that in some cases they are not in very accessible areas such as, for instance, the one in Devil's Gap Steps right at the top of Devil's Gap Steps, not very accessible and one is therefore, other than the one in City Mill Lane, thinking of this more in respect of young families who would otherwise have very little prospect of getting accommodation of their own in Gibraltar at a reasonable price.

HON MAJOR R J PELIZA:

If the allocation of the property available is not going to be done, the element of the social side as the Minister has just explained, young people who might be prepared to work to do it themselves, is the tender as it goes out going to go to the highest bidder or how is it going to be done? Is it going to be based on the money that is going to be paid for the house or other matters are going to be taken into account and if that is so, how is the whole thing going to be decided?

HON A J CANEPA:

What people are able to offer to the Government for these properties is not a consideration, the Government is not out to do business, the Government wants to help with the problem, generate some economic activity and that should be the main consideration. I do not think it makes sense when the Government puts something out to tender just merely to go by the fact that somebody may tender X and somebody else tenders X/2, when the person submitting proposals allied to the figure of X/2, those proposals may be of greater economic or social benefit so I do not think that we are going to be at all seriously guided by what is offered. The Government is not out to make money out of this, what the Government wants to ensure is that the people who come forward are able to carry the thing out. Do they have mortgage facilities? Do they have funds of their own? Can they get their hands on limited funds, perhaps, and what are they able to offer themselves by way of expertise and so on?

MR SPEAKER:

We are not going to debate this matter.

HON MAJOR R J PELIZA:

No, Mr Speaker, just a point of clarification. It is not quite clear to me, Mr Speaker, how it is going to be done, it is obviously a very complicated matter as I can see it, if it is going to be based on a number of people . . . .

MR SPEAKER:

This is what I am not prepared to allow. I think the statement has given notice of the policy and to clarify the policy you are entitled to ask any question you wish.

HON MAJOR R J PELIZA:

Mr Speaker, the policy is based, as I can see, looking at it not purely simply on the economic side, how much they are going to pay for the site, but also the social aspect which he mentioned and this is why I am drawing attention to this and therefore in allocating the particular site to an individual or individuals the question of finance alone does not come into it, it is not that it is going to be given to the highest bidder. I do not even know whether it is going to be given to a contractor who may be able to produce more houses than a number of individuals might and all those . . .

MR SPEAKER:

Order, this is what I am not prepared to allow.

HON A J CANEPA:

If I expand on the ground rules and on the objectives that the Government wishes to achieve then I think what I am expounding is policy, I hope he understands that, I am not going into the details of it but obviously we would give preference to tenderers who wish to occupy the dwellings themselves particularly if they are prepared to band with others to form a Housing Association to manage the property. We will expect them to provide evidence of financial capability, that must be a standard requirement of the tender conditions but what we want at this juncture, Mr Speaker, we have a development programme that we want to get going and these properties do not figure in that development programme so we are not going to be in a position to do anything with these properties for about five years. We want to relieve the Government of financial and other responsibility for the work, we want to give a welcome boost to the construction industry during a period of recession. We think that the cost per unit can be reduced to a point where it might induce local families to buy their accommodation particularly if they have no expectation of being allocated Government housing and we also think that it will encourage local residents to undertake and work on a cooperative basis. It

is again breaking new ground within the overall commitment that the Government has which we undertook in two successive elections of encouraging home ownership and of getting people to do something other than just the Government, we want to harness local funds, local initiative and give an input into the building industry. The City Mill Lane project is one in particular which I think would be of interest to a developer having regard to where it is situated.

HON A J HAYNES:

Mr Speaker, I would like to pre-empt one point I was going to make in my motion on housing. It is a welcome idea in that it attempts to utilize areas which otherwise would be abandoned for a long period of time and which anyway because of their restricted size may not be worthy of a major project but I would ask the Minister whether he has considered any other alternative uses for these small sites other than this general idea of a Housing Association. It is clear from his statement who he wishes to benefit from such a scheme and it is clear that the proposed areas are the most available or most suitable for this type of development but is he sure that this is the best way of going about it and is he also sure that through this system there won't be any abuse and the likelihood of these developments going to a private tenderer but not to help the young married couples would be avoided? Is there any way he can assure the House that this system in his mind works?

MR SPEAKER:

I think we have said as much as we are going to say on this one. We are debating the feasibility of the scheme and the policies, in other words, when a Minister makes a statement, I want to make this very clear, Members of the Opposition can ask questions to clarify anything which they may have misunderstood or not understood in the statement. How the scheme is going to be implemented or what it is intended to do can be a matter for debating at a later stage.

HON A J HAYNES:

Mr Speaker, is there a later stage with regard to this statement?

MR SPEAKER:

No, I think Government has now given notice of its intention and anyone can bring a motion to debate the scheme, in other words, on a substantive motion you can say what you feel you should say.

HON A J HAYNES:

It might be a matter for an adjournment motion.

MR SPEAKER:

It can be on the adjournment if notice is given. I think basically the way this system works is that the Opposition now have been given notice by Government of their intention. The Opposition might feel that it is worth raising it either at this meeting on the adjournment or at the next meeting by way of a motion.

HON W T SCOTT:

Mr Speaker, might I ask a question on information?

MR SPEAKER:

Yes.

HON W T SCOTT:

While the Minister under paragraph 5 of the statement dealing with the property in City Mill Lane mentioned the exact number of four existing derelict quarters, there is no mention in the other three properties what number of units we are talking about or is it just, for example, two units in Lower Castle Road, one in Devil's Gap Steps and one further one in Willis's Road?

HON A J CANEPA:

I can make that information available, Mr Speaker. At 4, Lower Castle Road there are three units at present; 6 Lower Castle Road seven units; Devil's Gap Steps two units; 8 Willis's Road one unit.

HON W T SCOTT:

One further question, Mr Speaker. The consideration on the City Mill Lane project, of commercial use of part of it, because there is a double alternative there, the existing derelict quarters or of redeveloping the property for residential or commercial purposes. It seems to me here that there is perhaps the danger of a developer using that property for speculative purposes if there is going to be a commercial element involved within the rehabilitation on that particular property?

HON A J CANEPA:

The conditions for this one will not be the same as for the other four. There will be no more danger of a developer using it for speculative purposes than there is whenever the Government puts any site out to tender like the Buena Vista Site, no more danger, but it is an area that does lend itself

to a mix because you could have an attractive walkway connecting City Mill Lane to Cannon Lane and shops and offices in addition to residential accommodation might be attractive to a developer and therefore this is one, as I say, that lends itself particularly to rather less of this innovative treatment and more along the traditional lines whenever Government puts a site out to tender for development.

HON W T SCOTT:

Can I ask you just one final question on this, Mr Speaker, I hope the Government can reply, and that is whether the tenders will be restricted to local residents?

HON A J CANEPA:

I do not think that we are able to do that, Mr Speaker, I think that it is against the Constitution to do that.

HON W T SCOTT:

Or at least people within the Housing List.

HON A J CANEPA:

Preference can be given and this has been done in the past, of course, yes. I want to clarify that provided by local residents we do not mean Gibraltarians, that is alright otherwise it can be discriminating.

HON A J HAYNES:

In paragraph 3 of the statement the Minister referred to satisfactory proposals in line 3. Has the Minister more information to give us on what he would consider to be a satisfactory proposal?

HON A J CANEPA:

For instance, what is happening with the Woodford Cottage Scheme that you see people getting together, coming forward with some very definite proposals as to what they want to do on planning grounds, their financial ability to go ahead with the scheme. We would leave it to people, apart from laying down the broad guidelines, we would leave it to people to come and suggest alternatives, it does not have to be a housing society in line with other precedents having regard to the fact that we are talking of modernisation as an alternative and not just redevelopment from scratch.

HON J BOSSANO:

I want to clarify one point. The statement says; "we propose therefore to invite tenders". The Minister has mentioned the ability to obtain mortgage so is he talking about a tender to rent the property or a tender to buy the property?

HON A J CANEPA:

To buy the property. Preference will be given to owner occupiers.

HON J BOSSANO:

The Government is more interested in selling these places than in renting them?

HON A J CANEPA:

Of course.

MR SPEAKER:

I will now call on the Minister for Public Works.

HON M K FEATHERSTONE:

Sir, Hon Members will remember that I undertook, some time ago, to consider further what could be done to resolve the unsatisfactory situation prevailing at North Front Cemetery as the result of private work being undertaken by gravediggers.

After consultation with the Board of Visitors to the Cemetery I am pleased to report that the removals and transfer of remains, which hitherto have been carried out by gravediggers privately, will in future be part of the service rendered by the Government on payment of a suitable fee.

A related matter is that the Cemetery fees which have not been revised since 1974. It is now proposed to bring these charges up to date, having regard to increases in wages and materials over the last 7 years, and to prescribe the amounts payable in respect of the new additional services.

This arrangement has been agreed with the Union as a result of which the wages of gravediggers are being upgraded in their banding. They will also be paid an allowance for exceptionally obnoxious work.

I am now confident that the difficulties experienced in the past will not recur in view of the arrangements outlined above.

HON P J ISOLA:

Can I ask, Mr Speaker, what will be the nature of the charges that will be levied on the customer because it seems to me from the statement made by the Minister and we welcome the abolition of the existing practice which was unpleasant to say the least as far as bereaved persons and families were concerned, perhaps necessary but nevertheless unpleasant and nauseating, I think, but as far as families and bereaved persons are concerned, will the procedure be that the graves will be automatically cleaned

or whatever is done there and that subsequently the families will be billed and what will be the sort and extent of the billing that the families will get, will it in effect be the same as now or will it be less?

HON M K FEATHERSTONE:

Sir, basically the work will be requested by the family, it will be done by the Government and a charge will be rendered in due course. The heaviest charge which is the rearrangement of remains in a vault for which I believe up to £50 has been charged in the past, has been put by Government at £20.

HON MAJOR R J PELIZA:

Can the Minister state, Mr Speaker, what increase this will have on the cost of dying in relation with the cost of living?

HON M K FEATHERSTONE:

I think it is a reduction, Sir.

#### MOTIONS

HON MAJOR F J DELLIPANI:

Sir, may I have leave from the House to dispense with the reading of the motions that have already been circulated.

MR SPEAKER:

Copies of these motions have been circulated to Hon Members. Leave is granted.

HON MAJOR F J DELLIPANI:

It is the Social Insurance (Amendment of Contributions and Benefits) Order, 1981. Mr Speaker, in this first motion which I bring before this House since I took over Ministerial responsibility for Labour and Social Security, I am asking the House to approve by resolution the Order increasing rates of benefits and contributions payable under the Social Insurance Ordinance for 1982. In the case of contributions the increases would be effective from the 4th January, 1982 and in the case of benefits from the 29th December, 1981. In determining the rates of benefits I am required by the Ordinance to take into account the general level of earnings and prices subject to the rate of Old Age Pension for a married couple not being fixed at less than 50% of the average weekly earnings of weekly paid full-time employees in Gibraltar. At the time of the preparation of the review, work which has been going on for some months, the latest available Employment Survey Report is that for October 1980 which showed the average weekly

earnings to be £97.50. This figure reflects in full the 1979/1980 Pay Settlement and it is not intended to allow for whatever increase in any earnings may occur during 1981 particularly when this is likely to be less than 10%. Having regard to this, it is proposed to set the 1982 standard rate of Old Age Pension for a married couple at £49 which when compared with the present rate of £41 means an increase of 19.5% and at £32.50 for a single person as against the present £26.70, an increase of 21.7%. Roughly, similar percentage increases of about 20% are being applied to other benefits shown in paragraph 4 of the Order. With regard to short-term benefits, that is, death grant and maternity grant, for the third successive year it is not intended to increase them. It is worth observing that these are still higher than in the United Kingdom. On the contribution side, the intention is to increase the male adult rate of contribution under the Social Insurance Ordinance by £1.21 of which 61p is charged to the employer and 60p to the employee and by similar cash amounts for females as a further step towards achieving parity of contributions by 1985 as we are required to do by a directive of the EEC. Juvenile rates as well as self-employed and voluntary contributors rates are being increased pro rata. I should mention here that my colleague the Minister for Medical and Health Services is not increasing contributions under the Group Practice Medical Scheme on this occasion. The proposals which I have briefly outlined will result in estimated total benefit expenditure for the year of £3.9m to £5m, exceeding contribution income by about £243,000. This shortfall is intended to be met once again from income from the Social Insurance Fund's investments as has been done for the last four years notwithstanding which the fund increased by £2.1m during this period and stood at just over £7m on 31st March 1981. In asking this House to give its approval to this motion I trust that I have been able to give some indication of the extent of the proposals. Later in these proceedings I shall be presenting two other motions affecting different Ordinances but which are all part of the annual review of the Social Security Scheme. Sir, I commend the motion to the House.

MR SPEAKER:

I will then propose the question in the terms of the motion moved by the Honourable Minister for Education and Labour and Social Security insofar as it applies to the Social Insurance (Amendment of Contributions and Benefits) Order, 1981.

HON W T SCOTT:

Mr Speaker, just a short word here. They are, quite obviously, quite acceptable to the Opposition, in fact, we welcome the measures as annually we come up to a situation where the beneficiaries also have their cost of living increased and it is right and fair, in fact, that those who work should be paying for the Pension of those who have already contributed in time gone by. We welcome the motion.

HON J BOSSANO:

There are two points I would like to make. One is that in fact in treating Social Security Benefits over the years we have tended to accept that the need for the revision in Unemployment Benefits was not as great as the need for revision in things like Old Age Pensions and Widows' Pensions and so on, on the basis that Gibraltar had a continuing situation which was as close to full employment as could be described by comparison to anywhere else. I would like the Government to note that that situation may be changing in Gibraltar and that people may find themselves out of work through no fault of their own and have great difficulty in obtaining further employment and that consequently I think the attitude we have had towards Unemployment Benefit in the past that there was a need to provide a sort of minimum safety net but also that we had to be conscious of not wishing to encourage people who prefer to be unemployed, is a philosophy that may require revision and that we may need to look at the provision of Unemployment Benefits in terms of an essential Social Services like we have come to accept the provision of Old Age Pensions and I think it is appropriate to mention it at this stage because we are at the period in time when we have record unemployment and there are a great many uncertainties about the prospects for future employment in Gibraltar. Secondly, Mr Speaker, in the proposals I made to the Minister regarding a possible system for creating employment for school-leavers, I suggested an amendment to the Industrial Training Board Ordinance as well as a result of which every employer in Gibraltar would be required to pay a levy in order to finance the cost of subsidising school-leavers undertaking apprenticeships or training courses approved by the Industrial Training Board. The implications of this would be that the cost of the training would be borne not by the employer providing the training or by the industry in which the training was provided but by the whole body of employers in Gibraltar including the public sector and that the sharing of the cost among the employers would make the scheme more attractive and have a greatest chance of success. In making this proposal I put it to the Minister that an effective way of collecting such a levy might be by adding it to the employers' contribution and collecting it through the machinery of collecting Social Insurance contributions, that seemed to be a relatively inexpensive method of collection. I would like to know from the Minister that even if he has decided not to include it in the provisions that he is making here, he can give me an undertaking that that does not mean that the Government has discarded the proposal or that the Government does not have the idea of collecting such a levy in some other way if it is implemented, as I hope it will be.

HON MAJOR R J PELIZA:

If the Minister is going to answer the last question, Mr Speaker, which I hope he does, which my Hon Friend Mr Bossano.

has brought up, I do not know what the proposals of Mr Bossano are in this respect but I was wondering how employers are going to make contributions, on what basis, on the number of employees that they have, on the size of the firm, on the tax they pay, how are they going to make contributions because obviously, the size of the employer commands more money, I imagine, if they are bigger, and less if they are smaller.

HON J BOSSANO:

If the Hon Member will give way. It must be obvious, Mr Speaker, if the proposal is that the Insurance contribution of the employer should be increased then it follows logically and of necessity that it must be per employee because that is how the employers' contributions is arrived at so what I am saying is, if the weekly rate of contribution is going to go up to £3.41 by the employer then if we wish to introduce a penny a week levy the contribution would be £3.42 instead of £3.41. I have not made a specific proposal as to whether it should be a penny a week or a pound a week, what I am saying is that one method of collecting a levy which does not require the employment of extra civil servants in order to collect the money, is in fact simply to raise the price of the stamp by whatever the levy is and I have made this proposal as a method of collecting the levy. Since we are now making provision for an increased employers' rates without such an amount being included, what I am asking for is an assurance that the fact that it is not here does not mean that the idea has been discarded or that the Government is not willing to collect whatever levy is arrived at, when it is arrived at, some other way.

HON MAJOR R J PELIZA:

I am glad that the Member has clarified the point which is in fact what I had in mind but I wanted to hear it from him because, alright, if it is a penny per employee that is not going to have any effect on the employer but if the amount does escalate as it might, depending on the amount of unemployment that may arise out of the cuts that are expected, then it may induce employers to reduce their work force precisely because that can become a heavy burden and that would be counter-productive, this is the point I am trying to make. Perhaps there might be other ways, perhaps from general funds, to make contributions towards this rather than do it in this way which could, in fact be counterproductive in the sense that employers may be encouraged to reduce their workforce rather than increase it.

HON MAJOR F J DELLIPIANI:

Mr Speaker, the fact that I have not mentioned any levy does not mean that the Government is not thinking about it. The Government in fact has agreed in principle with the suggestion

made by Mr Bossano to myself in my office. The Government has asked me to prepare a paper with regard to this question of introducing a levy for trainees and apprentices and I look forward to being able to meet with the Hon Member opposite to discuss various views that I have on his idea, so we have not discarded the idea and I think, Sir, it formed the basis of part of the debate on the motion brought by Mr Scott, that we could discuss this further. Therefore, Sir, I commend the motion.

Mr Speaker then put the question in the terms of the motion moved by the Hon the Minister for Education and Labour and Social Security which was resolved in the affirmative and the motion was accordingly passed.

HON MAJOR F J DELLIPIANI:

Sir, May I again have the leave of the House to dispense with reading the motion?

MR SPEAKER:

Yes.

HON MAJOR F J DELLIPIANI:

The Employment Injuries Insurance (Amendment of Benefits) Order, 1981. Mr Speaker, in my previous motion I outlined how the new rates of Old Age Pension and other Social Insurance Benefits for 1982 had been arrived at and I stated that the increase of about 20% would be applied to other benefits. The Order which the House is now being asked to approve therefore proposes, inter alia, to increase Injury Benefits under the Employment Injuries Insurance Ordinance from the present rate of £24.85 per week to £29.75 per week and the gratuity on death or for 100% disablement from £7,000 to £8,400. In reply to a question in this House of 25th March, 1980, from the Hon Mr J Bossano, Government undertook to consider legislation to provide increases in the rates of disablement and industrial death pensions in payment which had never been increased over the years. I, in fact, forgot about this and I have received representations from different individuals and this jogged my mind and I was put right that in fact this had been agreed to by my colleague so we started getting the thing in motion. Since the Employment Injuries Insurance Ordinance was enacted in 1952 the rate of disablement pension or industrial death pension has been dependent on the rate prevailing at the time of the relevant accident or death and there has not been any provision for uprating this pension as in the case with other benefits payable under the Social Insurance Ordinance. This has resulted in a wide disparity in the rates of the various pensions payable many of which are now at an unrealistically low level. Government has given this matter much thought and

I am very glad to be able to include it in this draft order paragraph 2(2)(2), the necessary provision which will result in these pensions being brought up to the present day level in January 1982 irrespective of the date on which they were awarded and to continue to uprate them as well as increases for dependants at every subsequent review. These proposals will involve additional expenditure to the Employment Injuries Fund in 1982 of about £18,500 per annum plus a further commitment of about £13,500 per annum in respect of pensions not being paid to residents in the Campo Area but which it is expected will be claimed when the frontier opens. A total commitment of about £32,000 which can be met without difficulty from the Employment Injuries Insurance Fund. In fact, the Fund continues in a healthy state and notwithstanding all the above proposals, no increases in contributions are proposed for 1982. Sir, I commend the motion to the House.

MR SPEAKER:

I now propose the question in the terms of the motion moved by the Hon the Minister for Education and Labour and Social Security in respect of the Employment Injuries Insurance (Amendment of Benefits) Order, 1981. Does any Member wish to speak on the motion?

HON J BOSSANO:

I welcome this, Mr Speaker. As I recall, I raised it at one stage in the House and the Hon Mr Canepa said that it appeared to be an area where it was not a question of policy as such but a question of oversight and that the group involved was a limited group. I am glad the Minister who is now handling the Department has been able to fulfil in fact what his predecessor undertook to look into and I welcome the motion.

Mr Speaker then put the question in the terms of the Hon the Minister for Education and Labour and Social Security's motion which was resolved in the affirmative and the motion was accordingly carried.

HON MAJOR P J DELLIPIANI:

Sir, I beg leave again to dispense with reading my next motion in respect of the Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment of Benefits) Order, 1981. Mr Speaker, this third motion standing in my name relates to the proposed increases as from January, 1982, in the benefits payable under the Non-Contributory Social Insurance Benefit and Unemployment Insurance Ordinance, namely, Retirement Pension and Unemployment Benefit. The purpose is to apply, as far as possible, increases in line with those under the other Ordinances in the two preceding motions. The Order proposes to set the basic rate of Retirement Pension in 1982 at £26.30 per week as against the present rate of £21.60 and £13.30 per

week for the wife instead of the present £11.50, thus giving a married couple £39.60 instead of the present £33.10. As the House is aware, Retirement Pensions are paid out of the Consolidated Fund and the tentative financial provisions made in the current Estimates for an increase in respect of January/March, 1982, is unlikely to be exceeded so that it is not expected that additional funds will be required. In the case of Unemployment Benefit the proposal is to increase the basic weekly rate from £20.34 per week to £24.30 per week with corresponding increases for wife and children as shown on page 3 of the motion. The lower rates on page 2 apply to persons who qualified for the benefit but who have not been either ordinarily resident or insured in Gibraltar for at least two years since July, 1970. It should be noted that Unemployment Benefit is a weekly payment made to a contributor who is unemployed, capable of work and available to take up employment and is payable for 78 days only. No further benefit is payable until after a subsequent period of employment. Sir, I commend the motion to the House.

MR SPEAKER:

I will then propose the question in the terms of the motion moved by the Hon the Minister for Education and Labour and Social Security in respect of the Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment of Benefits) Order, 1981.

HON P J ISOLA:

Mr Speaker, we welcome this proposed Order but I think I would like to make a comment, and we usually make a comment on this matter every year when it arises. The comment I would make is that as in the Social Insurance Ordinance where the rise in benefits for a married couple is from £41 to about £49 and in this case it is a rise from £30 or £32 to £39.60, in both cases of course these pensions are received tax free in the hands of the recipient and this of course is very welcome to those recipients and I rise to mention this point in this debate because this is the Non-Contributory Social Insurance Benefit, the retirement pensions for certain people who did not get into the Social Insurance Scheme and they will be receiving £39.60 for a married couple tax free and we do not object to that, we think it is a good thing, provision has been made as the Minister has said in the Estimates and he is unlikely to exceed the Estimates. What I would like to say at this stage is that later on in the proceedings there will be a Bill before the House under which the Elderly Persons Pensions are increased also by around 19% to £12.50 per elderly person, £25 for a married couple but these will bear income tax and therefore the benefit for these elderly people will be that much less and they will be subjected, in our view unfairly, to a tax which those receiving retirement pensions who also do not contribute will not bear and I would like the Government to

consider our attitude in the Elderly Persons Pensions Ordinance re-consider their attitude to allow these to be received in the hands of the elderly persons tax, free, and that is what I would like to say at this stage so that they can think about it before the Bill comes and I hope they will vote for an amendment that we will put to enable these elderly people, the junior partners in the whole structure of the State Insurance Scheme, to be let off tax which those who are receiving more, both those who are contributing and those who are not contributing, receive free of tax. It seems to us to be wrong in principle and I feel it is about time if I may say so, that the Government gets off its high horse and decides to do justice among all pensioners; all recipients of state pensions equally.

MR SPEAKER:

If there are no other contributors I will ask the Minister whether he wishes to reply.

HON MAJOR F J DELLIPIANI:

I will answer, Sir, on the question of this pension being tax free that the Government is still of the same mind.

Mr Speaker then put the question in the terms of the motion moved by the Hon the Minister for Education and Labour and Social Security which was resolved in the affirmative and the motion was accordingly carried.

THE HOUSE RECESSED AT 6.25pm.

TUESDAY 27TH OCTOBER, 1981

THE HOUSE RESUMED AT 10.40am.

#### BILLS

#### FIRST AND SECOND READINGS

#### THE HOUSE OF ASSEMBLY (ELIGIBILITY OF PUBLIC OFFICERS) ORDINANCE 1981

HON CHIEF MINISTER:

Sir, I beg to move that a Bill for an Ordinance relating to the eligibility of persons holding or acting in specified public offices for election as Elected Members of the Gibraltar House of Assembly and for participation as candidates in such elections be read a first time.

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

SECOND READING.

HON CHIEF MINISTER:

Mr Speaker, I beg to move that the Bill be now read a second time. Mr Speaker, this Bill is the culmination of long years of discussion over this matter on which considerable amount of consultations have taken place between the Government and the Opposition and the Opposition and the Government as it then was when there was a change and, really, it could be said that the position culminated after discussions and inability or rather ability to agree in various matters but inability to agree in others on which there was a matter of difference of principle, culminated in the position when in July, 1980, the Leader of the Opposition was given leave by the House to introduce a Private Members' Bill for an Ordinance to provide that the holders of certain public offices should not be disqualified for election and for the holders of other public offices to stand for election and for matters incidental thereto. At the time, Mr Speaker, you will recall that the Governor signified to you that the Bill related to a non-defined domestic matter. Ministers were agreeable to the introduction of and debate on the Bill but were not prepared to have the Bill passed in the House in the form then produced. Subsequently a draft Bill was produced by the Government which was reasonably on the same terms except that the schedules had not been finally completed. This was done by voting against the Bill that had been introduced but giving an assurance that another Bill would be introduced in its stead. In any case at the time, I am sure the Honourable Members will remember, the Attorney-General had said he had certain reservations about the way the Bill was drafted. This follows exchanges by the Government with the Ministry of Defence about the classification of Ministry of Defence employees and later, though there was an indication, in February of 1981 the formal intention of the UK Departments were communicated to the Government which were acceptable to the Gibraltar Government. These are set out in the schedule of the Ordinance. The point was that the Ministry of Defence thought that the question of eligibility of members of the Ministry of Defence employees should not be regulated by legislation but should be regulated by rules made within the Ministry of Defence Departments and that, of course, takes away a good slice of the people from the limitations in the Ordinance and left to be settled between employers and employees. It is understood that they will follow the same pattern and that is to say that except for people in sensitive areas they will give the same facilities or perhaps more facilities to members of the Ministry of Defence if they are not directly connected with the administration, directly or indirectly, of the Gibraltar Government. So that now the Bill which reproduces more or less a draft which I circulated at the time when the Leader of the

Opposition proposed his own Bill, has now been extended by covering in the Second Schedule as big a number of grades as consistent with the principle that we maintain was possible and that of course is where the nub of the difference lies but at this stage really we are dealing with the second reading of the Bill and we are not at the committee stage nor is it intended to have the committee stage at this meeting but to leave it until a subsequent meeting so that any further representations that may be made can be considered by the Government. The provision that it makes is for the reinstatement of civil servants who are not elected, for those in the Second Schedule, that is those who do not have to resign but have to have leave of absence for the period of 21 days. The main areas of difference, I think, there is no need to elaborate too much, the main area of difference in which we find ourselves at variance is the question of senior nurses and school teachers. The difference in that respect is that whereas the grades to which we agree the licence should, so to speak, be given they can have 21 days leave and stand for election whereas in the other case what they would have to do is resign, stand for election and in the case of the teaching grades, if in fact the applicant is not successful and applies within the 21 days, though no guarantee is given, the likelihood of a person being able to be reinstated after a short election campaign if the post was a reasonably general post, I think the teachers themselves agree that posts of higher responsibilities could not be held open for them even for the period because there would be other people who wanted it but certainly they could be reinstated or if in fact they did become elected and did resign, that if they applied within four years, though the Government could not undertake to reemploy them, it would not be unlikely that they would be reemployed, not perhaps in posts of responsibility but in what they call Scale 1 grades which is the grade of a qualified teacher. So, really, Mr Speaker, the Bill has given us time to specify the titles that have been changed as a result of staff inspections and so on and add as many of the persons that in the view of the Government could be added. It may well be, Mr Speaker, that if the Bill were to be passed as it is most likely, in similar form, that there may have to be every two years, perhaps, a review of titles and posts that may be created within the categories which the Government agree in order not to disqualify somebody who would otherwise have been qualified had the Bill been passed at the time when he took that employment. Mr Speaker, I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Mr Speaker, I think when the Private Members' Bill was rejected by the House by a Government majority, now I think it is over a year ago, I think the Government told the House at the time that they intended putting a Bill and in fact a quick piece of paper was circulated, if I remember rightly, to Members and there was an undertaking from the Chief Minister that he would bring a Bill at the next meeting of the House. Well, it has taken approximately a year for this Bill to appear and frankly, Mr Speaker, it differs little to the Private Members' Bill that was rejected basically because we had teachers in our Private Members' Bill. It has taken the Government a year to come round with basically, the same Bill except that in the First Schedule there has been a welcome extension to include every public office under the Crown in right of Her Majesty's Government in the United Kingdom which confirms, Mr Speaker, it confirms what I was told just before the last general elections by senior Ministry of Defence officials, that as far as they were concerned everybody except people in the line of top management or first management, I think it was called, could stand for election. This Government Bill confirms that to be the position although we are told that under Regulations they will of course restrict the people who can stand for election in the top jobs and nobody I think can reasonably object to that. That is a welcome change but one that was expected. As far as the people who can stand for election are concerned, we have been told that they have enumerated the grades and again all the Government does, really, is to leave out teachers. In my Bill, Mr Speaker, as far as nurses were concerned, we did exclude Nursing Sisters and Charge Nurses from the provisions of the Bill. We did that precisely because the Bill that was put before the House was a moderate Bill, a very moderate Bill, designed to permit those people who could obviously contribute to the public life of Gibraltar to be able to stand for election without losing their jobs or without having to resign before they stood for election and, basically, this Bill does nothing more than repeat the position, but of course the teachers are conspicuous by their absence from this Bill. I have heard, however, that the Gibraltar Teachers Association has made representations to the Chief Minister on the question of being allowed to stand for election and perhaps when replying to the debate the Honourable and Learned Chief Minister could tell the House something about the representations that the Association has made and could also tell the House something of the attitude the Government takes to those representations and is likely to take. Because, Mr Speaker, let the Chief Minister have no doubt at all in his mind that by keeping teachers out of the Second Schedule, the effect of this Bill as far as people in the Government service is concerned, is likely to be minimal because people who want to contribute to public life are not, in the normal run of events, likely to be recruited from the persons set out in the Second Schedule to

the Bill and he must know that, with the exception, possibly, of enrolled nurses and one or two other categories of people set out in the Schedule. If the Government is really putting itself forward as heading a movement for liberalisation for public service in Gibraltar and is not bringing this Bill purely and simply to fob off criticism, purely and simply to resist accusations and allegations that they are reactionary and that they are not prepared to allow people to stand for public life and contribute to the public life of Gibraltar without making inordinate sacrifices, then I would ask them to think again on the all important and crucial question of teachers who have the qualifications and the ability to contribute to public life in Gibraltar as the Minister for Economic Development has done in the past and as my honourable predecessor, Maurice Xiberras, also did in the past. I think that the Government should not take the narrow view which has been taken by the Minister for Economic Development, the narrow view that because he had to resign as a teacher before he stood for election then he expects everybody in Gibraltar for evermore to do just that to prove to him that you must make the sacrifice. I say, and my side of the House has inconsistently said, it is not right or fair that the people of Gibraltar should expect every teacher who wants to stand for election to have to resign his job and then have no guarantees at all of getting it back if he fails to get elected. As I said before and I say again that is a completely impossible position to put anybody in in this day and age and all this Bill does, Mr Speaker, the Bill before the House, all it does is what my Private Members' Bill did, it does nothing more, it does nothing less, it merely requires a person from the public service who stands for election to resign his appointment on election, that is all it does and all we are talking here, Mr Speaker, all we are talking here is the period of roughly 30 days, 30 days is what divides the position of the Minister for Economic Development and those of his colleagues who support him because he has made it almost a point of confidence in himself, I suppose, and myself and my colleagues on this side of the House, thirty days divides us, that is all, because the Honourable and Learned the Chief Minister has said: "Well, they can resign their jobs and stand for election and if they do not get elected they could apply and possibly they could get their jobs back or after they have done four years they could apply and probably they would get their jobs back." All we are talking about is 30 days on which the Government is not prepared to give way and I cannot follow the logic of the argument of the Chief Minister who says they can resign their jobs, stand for election and if they don't get in they would probably get their job back, the difference between that and our argument that they are allowed to go on unpaid leave and if they get elected they have to resign, if they do not get elected they do not have to apply for reinstatement because they held their jobs through the period of election. I don't see the difference in principle. If the Government

doesn't believe that teachers should stand for election, the Chief Minister should have told us: "Well, and if they resign their jobs then they are not going to get it back if they do not get elected because they have chosen the path of politics and we do not want politicians in the teaching service of the Government of Gibraltar." This is one of the typical stands that the Government has made where through sheer obstinacy it refuses to budge because it has committed itself to one thing and refuses to budge against all arguments unless they have got, of course, the Trade Union movement against them as a whole, then they budge very quickly on every single occasion, Mr Speaker, but here they haven't got the Trade Union movement lined up against them, they have got a small teachers' association and they have got the Opposition here before them who cannot marshal troops to march on them and so forth and so therefore they do not give way. It is the same as in the Elderly Persons Insurance, every single member on that side of the House knows it is wrong for them to make those payments subject to tax when the other social insurance pensions don't pay tax. They all know it is wrong but because the Minister for Economic Development said: "No, we do not give way on this" they all had to toe the line and on teachers it is the same thing again. The Minister for Economic Development says: "Teachers must resign if they are to stand for election."

HON A J CANEPA:

If the Honourable Leader of the Opposition will give way. That just shows that I have greater qualities of leadership than what he has when he has got to give in to his No 2.

HON P J ISOLA:

If I may say so, it shows the great qualities of, possibly, leadership that the Minister has and also great qualities of persuasion and also possibly that they cannot do without him and if he sticks his feet in they have got to give. On my side of the House, Mr Speaker, we are called the Democratic Party of British Gibraltar and we take decisions by democratic majority and let me tell the Chief Minister, I am overruled on a number of occasions by a majority vote in my party. And this happens, as my colleague will tell me, not frequently, fortunately, but it does happen and I accept it and I wish the Minister for Economic Development and Trade would do the same, Mr Speaker, because the position that the Government is taking on the question of teachers is patently absurd. These are people who do not administer, they do not help in the administration of the Government, their job is to teach, their vocation is to teach and all they are asking is not that they should be able to stand for election, get elected and carry on teaching, they are not asking for that, all that we are asking for is that they should not have their jobs put at risk, that they should be able to go on unpaid leave which is what this Bill virtually means, stand for election and if elected,

resign from their jobs. That is what we are asking for and the Chief Minister is saying: "Well, they can resign and they will probably get their jobs back." Why not then accept the principle? Because the Minister for Economic Development has said 'no'. And that is it. So, Mr Speaker, having heard my contribution on this it will not come as a surprise to the Chief Minister if at the Committee Stage of the House we move an amendment to include teachers in the Second Schedule and that is what we shall be doing. Apart from that, Mr Speaker, we support the Bill as being the reincarnation of my own Private Members' Bill and therefore having proposed that, we support it, we support this move towards liberalisation and of course, Mr Speaker, as we haven't had that much notice of this Bill, we have only had it a few days with us, we will of course be examining the Second Schedule to see whether this can be usefully extended or not, or whether we have any amendment made on it. It is impossible for us in this short time to say whether we agree or we don't agree with the people in the Second Schedule, but we will have comments to make on this probably at the Committee Stage. One amendment we will be making, of course, let us have no doubt about that, is that we will propose that the teaching grade be included in the Second Schedule subject to the reservations in my own Bill which is that we will exclude Head Teachers and Deputy Head Teachers from the provisions of the Second Schedule. Apart from that, Mr Speaker, we support the Bill.

HON J BOSSANO:

Mr Speaker, as the House knows, I do not support the Bill and I did not support the Honourable and Learned Member's Private Members' Bill when he brought it to the House and I agree with him that the views reflected in this Bill and the views reflected in the Bill that he brought to this House are very similar and this is the reason why I oppose both the Government view and the Opposition view on this matter. I would remind the House that in May, 1976, in fact, on the 18th of May, I moved an amendment which was then unacceptable to Government on which I had the support of the Opposition at the time, which sought to include industrial workers in the category of Schedule I, that is, that there would be no distinction between the right to stand for election of industrial workers in the employment of the Gibraltar Government and industrial workers in the employment of the United Kingdom Departments. I also sought to provide for clerical workers, for non-industrials, the right which the Government was prepared to give to industrials and the right that is being given to them in this Bill so I can point, I think, accurately not just to having gone back twelve months but to having gone back to five years in the proposal to allow people to stand for election and not have to resign on standing for election but agreeing to resign on being elected in the case of non-industrial workers. Even though I proposed that myself five years ago and even though I will support that today, that is, the provisions in the Second

Schedule in respect of non-industrials, it is only, Mr Speaker, because I consider it at this stage impossible, given the difficulty of persuading the Government that industrials should not be treated in quite the same light as non-industrials when it comes to considering them civil servants. I would remind the Honourable and Learned the Chief Minister that when I proposed on the 18th of May, 1976, that industrial workers should be given the right to stand for election without having to resign on being elected, he did not discard the idea completely, he said he needed a little bit of time to think about it and I wonder if I have given him enough of a little bit of time in the elapsing five years, Mr Speaker. I think the right to stand for election, subject to the conditions to resign on being elected, is already sufficient of a deterrent, Mr Speaker, I think to say that people are being given some great advantage, that we are opening the door simply by saying that one does not have to resign in order to be nominated is, in my judgement, to show very little knowledge of the way that people react to the situation. It is difficult enough to persuade people that it is desirable to stand for election from all walks of life and when we are talking about manual workers in particular who feel that they stand at a disadvantage because they are not as articulate, then I think one should do everything possible to encourage the House of Assembly to be a microcosm of society, it is a phrase I have used many times in the past, I believe that the good running of any community suffers from a situation where the decisions taken on behalf of the community are taken by people who come from one sector of society, who are familiar with the problems of one area of society and other areas of society are under-represented in Parliament, under-represented in the House of Assembly because there is not the intimate contact and knowledge with our everyday problems. I think the House of Assembly would benefit, it might not have as long debates as it tends to have and perhaps the use of the language might not be as accurate as it otherwise would be but I think the House would benefit from the ideas and the approach of ordinary working men, if we had more of them in this House and I think that in order to be able to achieve that, we need to give the employees of the Gibraltar Government, the industrial workers in the Gibraltar Government, the same rights that industrial workers working for anybody else in Gibraltar have got. Under the proposed legislation and under the existing legislation an industrial worker in the private sector, an industrial worker in the UK Departments has the right in law to stand for this House without having to give up his job whether he is elected or not. There may be situations where the employers themselves want to discourage their employees doing this because they feel that it would take the employee too much away from his job but here we are not talking about the Government as employer as far as I am concerned because this is the Government legislating as Government, as to who is eligible as a citizen to stand. Because if it is a matter for the Government to deal with its employees as employer then the Government should be discussing that with the representatives of

the employees, with the Unions, as to the conditions of service of Government employees and why they should be different from the conditions of service of other employees. But here we are talking about a political decision, a decision being taken about who can be a member of this House, by people who are already Members of this House. In doing so, I think the onus of responsibility is on the Members of this House to show why it is in the interest of the community, in the interest of Gibraltar political life, to limit the scope of eligibility. As an employer the Government has got to explain to its employees why they should not enjoy rights that other employers give their employees in Gibraltar, including the UK Departments. Why cannot somebody who is doing a job as a caretaker in a school, Mr Speaker, stand for election, where is the conflict of interest there, and there is no conflict of interest if that person is a caretaker in the Mackintosh Hall where Government is still paying the wages, but where the person, technically, is not in the employment of the Gibraltar Government? Or a caretaker in GEC where the bulk of the wages are being paid out of the Government subsidy but the person is not technically an employee of the Gibraltar Government? How is there a difference between somebody who works as a porter in the Naval Hospital and somebody who works as a porter in the Government hospital in their political rights and in their political life? I am not saying that if we were to change this we would get an immediate avalanche of Government industrial workers wanting to stand for election because we have seen, in fact, that opening the doors for the employees of the UK Departments as we did after the 1976 debate did not produce such an avalanche and we think that in any case industrial workers start off with a handicap in any electoral campaign. Irrespective of their rights to stand on not stand, their chances of being elected we know from experience are less because they have difficulty in public speaking, they have difficulty in expressing themselves in a way that conveys the message adequately to the electorate and therefore I think that if it is desirable that they should be represented in this House, in the knowledge of the difficulties that they already have, one should be going out of one's way to encourage them and not to discourage them. I shall therefore once again, five years later, be moving the same amendment as I moved in 1976 and I hope that between now and the Committee Stage, if the five years has not been enough for the Honourable and Learned the Chief Minister, the little bit of time less will enable him to give some further thought to this matter and to accept the amendment to include the industrial workers in the First Schedule and not in the Second Schedule of the Bill.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I will speak on the words used by the Honourable the Leader of the Opposition, logic. He did mention logic. To me it is quite logical in the approach he takes to this Bill in that in Question Time when we were discussing summer time, he mentioned the special privileges of civil servants

who could afford to go to the beach before other people who were not civil servants. This was a privilege, he said, that civil servants had. And here he is now giving more privileges to more civil servants and even more civil servants and my reaction to the Bill, and if it is a free vote I will vote against it, is because the Bill does not go far enough. There should be a system where everybody in Gibraltar is protected, that is my reaction, not only civil servants. There are good people who work for small employers who will never be allowed to stand for election, there are self-employed people who cannot make the sacrifice to be able to stand for election. So here we are illogically asking or helping the Honourable Leader of the Opposition to give more privileges to civil servants and I am not prepared to do that, they have enough privileges already. If we could think of a system where everybody in Gibraltar is protected in his employment, whether he is self-employed or not, I would vote for that but I will not vote for further privileges for civil servants. The other point which I would like to bring up is the question of the Honourable the Leader of the Opposition's remark about my Colleague, the Minister for Economic Development and Trade. The Hon Leader of the Opposition says he has a great influence. Of course he has a great influence and we all respect him. But this shows you that the Chief Minister is not the dictator that everybody thinks he is. A week ago he is a dictator, today he is not a dictator. The dictator has changed. The logical thing here is that yesterday you were quibbling about civil servants' privileges, today you want to extend more privileges.

HON MAJOR R J PELIZA:

I really do not understand the last speaker, calling a democratic right a privilege and almost calling his Chief Minister a dictator. Mr Speaker, first of all, I don't believe the Chief Minister is a dictator, he carries a lot of pull, we all know, but it seems to him that the public does believe that he is a dictator and I wonder why, perhaps the Chief Minister should stand up and defend himself on that issue later on when he has the right of reply. But at the moment let us concentrate on what I think is a very erroneous impression that the Minister for Education has on the civil rights of Gibraltarians. This Bill, as we know, has been one of the most controversial Bills that we have ever had in this House because it goes back to the days when we were in Government in 1969 when it was then my intention as Chief Minister at the time, to try and liberalise as many people in Gibraltar to have the most important right of being able to stand for election. Democracy does not just consist of being able to go to vote on the day of election, it also consists in having the right of being able to stand for election. This is what the Minister for Education doesn't seem to understand Mr Speaker, and calls that a privilege. It is a right.

HON MAJOR F J DELLIPIANI:

The right to stand is still there, Sir, it is the right to make sacrifices.

HON MAJOR R J PELIZA:

Mr Speaker, there are two ways of standing, one is to stand as a normal human being expecting that he will be able to carry with him his family at home and all the rest of it, another one is to be put in the very awkward position that if you want to stand for election and use that democratic right you almost have to give everything up and go through hardship as I know from experience was the case of Maurice Xiberras when literally he had to give up his job. Eventually, many other things happened which I don't think we need discuss in this House publicly, Mr Speaker. There, if anything, is a glaring example of an issue which is so vital to democracy in Gibraltar. It so happens because a great number of people in Gibraltar are civil servants due to the nature of our society, that a great number of individuals in Gibraltar simply haven't got the right, the full democratic rights, and it was my intention then of trying to bring in every possible person to come in except those who through very serious conflict of interests, it would be impossible in the interest of good administration to include them as candidates if they wished to stand. My thoughts then, and they still remain today, is that we should look at the function of the civil servant, not the grade, but the function and if that function of the civil servant conflicts with the good administration then he obviously willy nilly have to be excluded because I think it is common sense and reasonable in the interest of good government that that should be so. But if there is no such impediment then I think we should be liberal and allow him to stand. My Honourable Friend on the left just said it. Who are we to say who can stand for election and who should not stand for election? Is it that we want to keep our jobs here and therefore we try and stop as many people as possible to stand for election? Is that democracy? Is it that I, because I have eight good candidates and I can keep coming on and winning elections time and time again, I am going to do my best to try and stop as many people as possible from standing for election because I do not want competition, Mr Speaker? Is it something to be proud of to be in Government for a long time at the expense of not allowing people to stand for election? Is that any credit to anybody, Mr Speaker. I don't think it is, I think this is a game as any other game and you should allow as many people as possible to play it and if you happen to be a better man than the other politically, then you win, but not because you are acting in such a way that you make sure that the rules are all on your side. This is, Mr Speaker, what this very important Bill . . . . .

MR SPEAKER:

We must not subscribe ulterior motives which are improper.

HON MAJOR R J PELIZA:

Mr Speaker, I am not attributing any motives, all I am saying is that we, and I am including myself, if we who are already elected put it in such a way that the number of people who can stand are going to be minimised, the rules are in my favour and this is what I would not like to see and I hope that nobody else in this House would like to see it happen that way. If in logic it can be proved that a civil servant because of his position would in the interests of good administration have to be excluded, I am the first one to say yes, but simply to say that there is a general conflict of interests, I don't think that holds water. If we go into the question of interests, Mr Speaker, then we have got to take account of so many things, not just in Government but even outside Government which we all know in this House because the nature of Gibraltar cannot be applied as it is applied in other places. We all know, Mr Speaker, that a Minister anywhere else cannot have any private position such as Director or a professional position in private life. No other legislature of any magnitude allows this but we understand that, we have gone through all this and sincerely we know that in the present stage of development of Gibraltar that is inevitable because otherwise we wouldn't have the people with the calibre to stand for election. I am a great believer that a member of this House should represent the interests of the people that he is speaking for because then he does so subjectively and knows what he is talking about, because he is going through the difficulties and he can speak, Mr Speaker, from experience and all the legislation and everything that goes through, will reflect that particular class that he represents and I agree that it is not only intellect that is required, lots of other factors go into the making of a candidate for an election and lots of other factors go to the good legislation so that all interests of our community are properly represented. That, Mr Speaker, is what this Bill is trying to do in the manner that my Honourable Friend the Leader of the Opposition first embodied it when he brought it forward and this is what we are trying to do, to see if we can still at this eleventh hour convince the Chief Minister that there is a lot of merit on what the members of the opposition have been saying in this respect. I cannot see, and even the Chief Minister, Mr Speaker, is really arguing the unarguable. I cannot see the difficulty of a teacher standing for election. He can resign and he is also assured that he can get back into his job. In practice, therefore, Mr Speaker, what the Chief Minister is saying is that he can do it if he wants to, the only thing is that he has got to take that jump. That jump, Mr Speaker, which is very difficult for a family man, extremely difficult if he has got children to look after, when he knows perfectly well there is no guarantee. The first one who is going to tell him; "What are you doing?" is his wife and, naturally, Mr Speaker, he has got to listen to that because the first thing that should count is his family and all the other things can come afterwards and he can then participate in the political life of

his community if he knows that he can do one without prejudicing the other. That is what you are asking for. The Chief Minister says that there is nothing really to stop him from doing it. The Chief Minister should understand that if in practice it can happen then let us have the thing legalised so that the individual can have his 21 days leave, if he fails he goes back to his work, and carries on the same as all the other people who have been included in the Schedule. To me, Mr Speaker, that is very reasonable, to me, Mr Speaker, that is real democracy. I hope, Mr Speaker, that the Chief Minister who is listening here today and who I am sure will hear further arguments about this, not only from us, but I hope, too, from the Teachers Association, that he will be able to allow what he thinks is possible, in practice, at some risk to the teacher, to be done in the normal way as with other civil servants and I do hope, too, Mr Speaker, that when the Committee Stage comes, that my Honourable Friend on the left will find it possible to be accommodating with the amendments, I am sure, my Honourable Friend the Leader of the Opposition will be able to put forward and that also the Government will be able to meet this so that we see that all members in this House are true democrats, that we are capable of finding a formula for the very difficult situation of Gibraltar where so many civil servants and that like the United Kingdom employers, who I think have realised that there is nothing that really can happen to their department by allowing their employees to stand for election. I cannot see why we cannot at least emulate them and if there are certain sensitive posts which obviously we should not allow those people to stand, that we do exactly the same thing. I think he will have the full support of the Opposition and I include even my friend on the left, I am sure. We are all, I am sure, sufficiently grown up politically to understand that, Mr Speaker. It isn't that we don't understand the point that he is trying to make about the conflict of interests, we understand that, but we also see that this can easily be bridged to the satisfaction of everybody in Gibraltar and I think that then it will show maturity on the part of this House, that we are not trying to keep our jobs and that this House is open to everybody in Gibraltar.

HON A J CANEPA:

Mr Speaker, where I think that members on this side of the House and one or two members, notably Major Peliza and the Honourable Leader of the Opposition and we differ fundamentally, is in our whole attitude to politics. Once again one has heard Major Peliza refer to politics as a game. It is not a game, politics is a very, very serious business and has got to be approached with seriousness. And because it is not a game there are certain basic principles that one must abide by and one must try to implement and guide one in one's approach to the serious business of politics.

HON MAJOR R J PELIZA:

I am sure he knows perfectly well that I referred to the question of rules, not the game. He knows perfectly well I do not mean this, this is very bad debating, I would say.

HON A J CANEPA:

I am glad that he has clarified the point, and that it isn't just indicative of an attitude. Mr Speaker, the Leader of the Opposition has launched an attack on me, a personal attack on me, and accused me of taking a very narrow view on this matter insofar as teachers are concerned. I think that he will agree with me that I have made it abundantly clear in this House in past debates that the view that I take is one that is based on the fact that the hardship that was a very serious obstacle in 1969, in 1972 or before those dates or up to 1980 even, is no longer the case. There is no longer hardship involved for anybody wishing to stand for election, certainly not if he is elected. All members of the House are reasonably remunerated, all members of the House can look forward to a pension which wasn't the case in 1969 or 1972 and it is in that context only that, perhaps, I would accept that I take a narrow view. I would say that if a person had to take the step that Mr Xiberras took or that I had to take in 1972 it is, by and large, asking too much that for an allowance of £700 as it was then if you became a Minister, or £350 a year as a member of the Opposition, well below the wage of a labourer at the time, that you should expect that person to resign, stand for election and face an uncertain future. Perhaps both in the case, in fairness, of Mr Xiberras and myself, our prospects, and time has proved that with all due humility, our prospects were good and some other aspirants are not so convinced as to their own prospects, but today an ordinary member of the House, a back bencher of a member of the Opposition, gets nearly £5,000 a year and that is well in line with average earnings in Gibraltar, we heard the Honourable the Minister for Labour say yesterday that average earnings are about £98 a week. And I will also say that there are many people with family responsibilities who are in fact getting less than £100 a week in Gibraltar even today. So provided a teacher has reasonable prospects of being elected and he should because I think the point made by the Honourable Mr Bossano is valid that it is an industrial who has got everything stacked up against him but not a teacher. A teacher is used to speaking in public in front of a classroom and there is no more critical audience than a class, I won't say of children, a class of young people, particularly sixth formers. Anybody who has to teach an examination class has a very critical audience and that training is perhaps the best training that any professional, and I will even include the legal profession, because in the legal profession you don't spend in Court as much time as a school teacher spends in front of a classroom. So it is the best possible training and I have no doubt that automatically,

I would say, any teacher standing for election would be elected unless he stands for a real minority party because the prospects of that party are poor. I think Honourable Members of the Democratic Party of British Gibraltar know who I am talking about because that has been a bone of contention, and that person should have come forward at the time because he would have been elected in the same way as the Honourable Mr Scott, Mr Haynes or Mr Lodd were elected to the House in February last year and there would have been no hardship involved in getting a salary of £5,000 a year and being able to take up another job if you so wished because when you are in opposition you have the time to do another job or the time to devote to private lessons and increase your income in that manner. I don't think it will surprise the Honourable the Leader of the Opposition that, of course, we will be voting against the amendment that he is going to introduce to include teachers in the Schedule. I think that it will not surprise him either if I say that the view that we hold is one that has been held consistently just as we hold the consistent view in respect of the matter of the Elderly Persons Pension, not because we are obstinate but because this is something that we believe in in principle, something that in our Party we have discussed ad nauseum and we are in agreement on that issue. There is a majority view taken and that majority view is party policy and we subscribe to it whatever our own personal views may be on the matter. But, of course, I expect from a reactionary like the Honourable the Leader of the Opposition perhaps the greatest reactionary in political circles in Gibraltar, that he should accuse us of obstinacy and not strength and if we were to agree to something then it is weakness just as we are weak and we give in to the trade unions.

HON P J ISOLA:

If the Hon Member will give way. Could he address us a little on the principles behind his objection to a teacher getting three weeks leave for standing for election especially against the background of his rather forceful argument telling us all that the teachers are the best equipped for public life. If that is the case, Mr Speaker, why does he object so strongly in principle to allowing them to have unpaid leave for three weeks so that they can stand for election since they are obviously, from his own speech, the people best qualified to be in this House?

HON A J CANEPA:

Mr Speaker, we are at the second reading of a Bill which nowhere has the word 'teacher' in it and I am talking to the general principles of the Bill. I will come to the question of teachers. I will return, I should say, to the question of teachers but I am speaking to the general principles of this Bill. The Government Mr Speaker, by the nature of things cannot proclaim from the rooftops when it scores a victory against a particular

trade union or the trade unions. Of course, I know that the attitude and the thinking of the Honourable the Leader of the Opposition is that virtually every claim that we get from the trade unions we agree to, but that is not the truth of the matter and I think the Honourable Mr Bossano will bear with me out. But we just cannot proclaim that because it is not in the nature of things that we should. The other difference of course is that given the background of our Party, we believe in the principle of cooperating with the Unions, something which I wonder whether he does and if he ever finds himself in Government, if he doesn't cooperate with the Unions I wonder how long he will last in Government, less than the 2 years and 10 months of the IWBP administration, I would say. But of course he is well known as a Union basher, the only thing is that he expressed those views in private and doesn't have the political courage to express them publicly.

HON P J ISOLA:

Sir, my name is not Mr Tebbit.

HON A J CANEPA:

Unfortunately, Mr Speaker, it was only between 1969 and 1972 that the Honourable Member became an enlightened conservative, since then he has once again moved to the extreme right. Our objection, Mr Speaker, our objection to including certain class of civil servants in the Schedule to this Bill is based on the principle that it isn't just Gibraltarians who wish to stand for election that have civil rights, it is other Gibraltarians that also in the exercise of civil rights rightly expect that the public service, the civil service, should be politically impartial and whether we like it or not, school teachers are employed by the Gibraltar Government and it is a fact of life that a school teacher in the United Kingdom cannot stand for election to his local authority. He can stand for central Government, he can stand for election to the House of Commons and if he is elected, though invariably they continue to describe themselves professionally as teachers, they don't continue teaching, they give up their employment because it is impossible for a teacher to be teaching in the North of England and to come down to the House of Commons in Westminster.

HON P J ISOLA:

We haven't suggested that he should carry on teaching once elected, have we? We are just asking that he be allowed leave to stand for election and if elected he must resign.

HON A J CANEPA:

I will come to that in a minute.

HON MAJOR R J PELIZA:

The only thing, Mr Speaker, is that he is now comparing teachers in the United Kingdom with teachers in Gibraltar and he says they cannot stand for the Local Authority but they can stand for Parliament. In Gibraltar the situation is such that you cannot say that but, equally, if you carry that comparison to its logical conclusion, no one who has a job in Gibraltar could be in Government and therefore we would probably have no Government at all. If he makes comparisons with one he should apply it to the other.

HON A J CANEPA:

The objection that we have for the inclusion of teachers in the Schedule is a fundamental one which is shared by the political wing and the administrative wing of the Government of the day and it emanates from the principle that I have mentioned that other people also have civil rights. We believe that there is a substantial body of parents who also wish to ensure that teachers are politically impartial. I think Honourable Members have heard me say in the past that I have no doubt that any teacher worth his salt will not bring politics into his classroom and that I think has been the experience of the last few years. The danger of course is there. I also happen to know that, as I mentioned to a delegation of the Teachers Association the other day, something that they weren't aware of, but when I was deputy headmaster of the Grammar School a particular Christian Brother had to be sent packing by the Order itself because he was bringing politics into the classroom in a manner which was not acceptable. He was bringing politics into the Sixth Form, he was advocating communism and this was something that the Order of Christian Brothers could not accept and without the Government having anything to do with it I am sure, and this is something that is not publicly known, very quietly, arrangements were made to send him home. The objection I think stems to that principle, that there are many parents who in the exercise of their civil rights, want to ensure that undue influences are not brought to bear on their children at school, by a teacher who could be politically motivated. In the majority of cases I am sure that it will not happen because people are professionals and they are guided by a certain code of ethics but it can happen, therein lies the danger and that is the view and that is the attitude that we are taking in our approach to this legislation.

HON A J LODDO:

Mr Speaker, a very small intervention. I must thank the Honourable Mr Canepa for having thrown some light on the question of the Christian Brother. I now know where Mr Bossano, who was a member of the Grammar School, got his left wing views. Mr Speaker, on this question of teachers if it were not a matter of principle which is being debated, I would think that this House was in danger of developing a teacher

phobia. I agree with the Honourable Major Dellipiani that what we should do is try and protect more people but unfortunately that is not the case, I might even say it is not logical. And talking about logic it appears to me that we use the argument that this is not the practice in the United Kingdom when it suits us and not when it doesn't suit us and of course I am referring to the fact that in the United Kingdom, members of the Cabinet, members of the Government, have to give up all their interests and dedicate themselves exclusively to the governing of the nation. I am going to leave this House with one question. I know the answer to it as far as I am concerned, but if I had been told when I stood for election that if on being elected in a majority party I would have been elected to Government and I would have had to sell my business and do away with all my interests, I can tell this House that I would not have stood for election, I wonder how many of us would?

HON A HAYNES:

I would like to clarify a point. We on this side, Mr Speaker, are asking that a teacher be allowed to go on unpaid leave during the time between the run-up to an election and that following the election if he is elected to the House of Assembly that he should resign from his post as a teacher and if he fails to be elected, which is not something he cannot expect, it is something to be expected if it is the first time he is standing, if he is not elected we ask that he should be allowed to return to this post. We are not asking that teachers should be allowed to stand and thereafter to remain in their posts as teachers, we are asking simply that the decision to stand for the House should not be made at the cost of his family i.e. at the cost of his job. Admittedly, during the run-up to the election he will be on unpaid leave so he will not be remunerated during that period, it is not normally a long period, it is about six weeks, and we ask that during that period he be given some security of tenure. We have the Minister for Economic Development who himself was a teacher who took the risk, making it more difficult for others. I think the point is that justice, must be seen to be done, in the same way that there must be justice. Mr Speaker, this House runs the risk of gaining a reputation for monopoly, a reputation that this House does not want to increase or broaden the sphere of those eligible to stand in order to secure their own post and that is an undesirable state of affairs, one which this House should make every effort to avoid. Added to that we also have the clarion cry of Mr Bossano; "Who are we to decide who should stand?" and in a way we are deciding that by making it difficult for others. We know that Gibraltar has severe problems, it has been in a state of crisis for 12 years, the crisis is not abating we need all the talent we can possibly muster. I have heard no reasoned argument for giving a person with a sense of public spirit, for giving a person who wishes to serve his community every possible aid and opportunity to fulfil that talent or that desire. I see no arguments to that effect. We would like to know at the

Committee Stage just how many people we are talking about when we go through the other areas which are going to be assisted by Government and compare those figures to the figures of possible teachers to give some sense of proportion to the Bill. Mr. Speaker, having said that I would like to hear some refutation of this argument from the Chief Minister though I fear that in usual fashion what will happen is that in a bumbling manner it will come to be passed in the way that we want it and all the kudos will go to the Chief Minister but as long as it is done we do not really mind who gets the credit for it.

HON M K FEATHERSTONE:

Sir, it seems from the Honourable Mr. Haynes' contribution and from other contributions from the Opposition, that they have missed the whole point of this Bill. The Bill is going to widen the enfranchisement of a great number of people but the overriding principle is that people in a reasonable position of administrative responsibility should be precluded. A great number of people are going to come into the enfranchisement, in particular all the people under the United Kingdom Departments and all the people in industrial employment in the Gibraltar Government, and this is a very good thing. The suggestion put forward by the Honourable Mr. Bossano that the House would do well to have the benefit of the thinking and the knowledge of a person of what one might call the humbler classes is very conducive to the good affairs of Government, in fact, AACR for many years enjoyed the benefit of a member of the industrial classes which redounded, I think, very well indeed for the thinking, not only of the AACR but of the House in general. I take the point by the Honourable Minister for Economic Development that if a teacher did stand, because he is articulate, because he has a presence, he has a good chance of being elected, but God forbid that we should have a House full of teachers or even a House full of legal practitioners. What we want is a cross section and I think this Bill is going to give us a pretty wide cross section of all people in Gibraltar.

HON P J ISOLA:

Do you mean to say that one teacher is enough in this House?

HON M K FEATHERSTONE:

I am not saying that one teacher is enough, perhaps a teacher on your side might make you a little bit more sensible he could keep you in order, you need a little bit of classroom discipline. But one thing the Opposition does forget is that not all teachers are simply teachers as such, many of them do have administrative responsibility. Are you then going to fragment your teachers into those with administrative responsibility as being unable to stand and those without administrative responsibility then being able to stand? This, I think, would make

a dissention amongst the teaching force and if you were to say that all teachers could stand even those with administrative responsibility, then of course the civil service would say; "Why should teachers be singled out, why shouldn't Executive Officers come in, why shouldn't this one come in?" I think the answer that has been taken by the Government that all persons up to a certain level, basically a level of people who do not have reasonable administrative responsibility, should be permitted to stand, is a good principle and I think that the widening that we are going to offer to the general electorate of Gibraltar is going to bring in practically 95% of the total population. As the Honourable Minister for Economic Development said, when the amendment comes forward that the Opposition intend to put, we shall vote against it not because we are scared of teachers taking our jobs, if we were to do that then I think the Honourable Major Peliza would be putting forward a motion that only the people of this House should be allowed to stand ad infinitum. We are not scared on this side of any person coming forward, what we do wish to do is to protect the overriding principle that people in a measure of responsible administrative capacity should not be allowed to stand.

HON A T SCOTT:

I had no intention of making a contribution to this Bill, there are others who are greater advocates but I must take exception to a number of the comments that were made by the Honourable Minister for Economic Development. I think he really went off at a tangent, perhaps purposely. Surely here we are not discussing about the rights of the individual to belong to a political party or to have certain political ideas of his own. Here we are talking about a 21-day period being extended to certain individuals, as we feel, also to include teachers because surely if a teacher who obviously has political ideas of his own might perhaps even be a member of a political party, a member, perhaps, of the executive of a political party, perhaps even be a chairman of a sub-committee of that political party, I am sure he will agree with me if I were to say to him that this in no way should influence the way he teaches the pupils under his care. I am sure it did not happen to him or to the Honourable Mr. Xiberras, the ex Leader of the Opposition, and I think this is a very valid point, Mr. Speaker, we are talking about a period of 21 days because if a teacher being a member of a political party as the Honourable Minister said before and the example he used was a Christian Brother, he is at liberty to do so now, it is of no consequence whether he stands or he does not stand.

MR SPEAKER:

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

HON CHIEF MINISTER:

Thank you, Mr Speaker. I think the points that have been made mainly by the Leader of the Opposition were answered adequately by my colleague on my left and I don't propose to repeat them. The impression has been very clear except for the contribution of the Honourable Mr Bossano who dealt with the matter of the Bill as a whole, that the Opposition are only interested in teachers being given the right to stand for election.

HON P J ISOLA:

If the Honourable Member will give way that is the only substantial point of difference between my Private Members' Bill which I brought to this House which was rejected by the Government and the present Bill before the House the Chief Minister has put forward. That is the only difference, they have left out teachers and that is why we have been arguing the point.

HON CHIEF MINISTER:

Yes, of course, it is the difference but the point is that there are other people involved in the service who haven't been mentioned but have only been mentioned by Mr Bossano which shows the persistent cussedness of the Opposition with regard to teachers. I can understand their difficulties in getting people to stand for their Party and they find that their catchment area, perhaps because of the reactionary background of the Leader of the Opposition, he is unable to find other people that will stand for election and he has an eye on one or two particular teachers. This thing is being done ad hominem, it is being done because it suits the party in the Opposition to do so. It is not a question of principle, it never was in this matter.

HON P J ISOLA:

If the Chief Minister will give way.

HON CHIEF MINISTER:

No, I am not going to give way, I am sorry, I am not going to give way. I have given way once and I am not going to give way. All the remarks made by the Honourable Major Peliza about the question of having as many people as possible, all that has all been forgotten simply because teachers are not included when, in fact, as the Honourable Mr Featherstone has said, a considerable number of people are being enfranchised and are entitled to stand for election by this Bill about which very little notice has been taken. Not having the members of the Ministry of Defence included is only that it is going to be regulated internally and not by legislation as I think it is right that it should be done. I was asked about

the meeting and the representations of the teachers in this respect. I will quote from a minute of a meeting I had with the representatives of the Teachers Association recently where I will give the GTA point of view and I will give the Government point of view as reflected in that minute: "The overall view of the GTA was that their case was one of principle. The reasons which had been given in the past for not allowing teachers and nurses to stand for election seemed irrelevant since according to one of the members, teachers have no access to sensitive political information. Specific proposals were put forward that teachers should be given unpaid leave during the election period, that if elected into Government or into Opposition the teacher should resign from the service." That is different from the original proposals of Mr Xiberras which was that if you were in the Opposition you could carry on teaching and you could come and sit in the House.

HON P J ISOLA:

That was also the proposal in my Bill. Don't talk about Mr Xiberras.

MR SPEAKER:

Order. Has the Chief Minister given way?

HON CHIEF MINISTER:

I am not giving way. You can stand for as long as you like but I am not giving way. What I am saying is that this is a sensible approach, apart from whether you agree with it or not.

HON MAJOR R J PELIZA:

Mr Speaker, on a point of order.

MR SPEAKER:

What is the point of order you want to raise?

HON MAJOR R J PELIZA:

The Chief Minister is introducing matters that have not been debated at all before.

MR SPEAKER:

The Chief Minister is replying to something which was said. So far he has not brought in any new matter, he is replying to what has been said by the Opposition. If he does bring in a new matter I would most certainly stop him.

HON CHIEF MINISTER:

Thank you, Mr Speaker. I hope I may be allowed to continue, I

can understand the anxiety and the interruptions in order that I may not have a proper say but I will. What I am saying is that, one may not agree with it, but this is a sensible approach which is not the same as was held at one time when the views that have been expressed here about the long period in which this has been in gestation, there was time when it was advocated by those who wanted teachers in politics that they could sit in the Opposition so long as they didn't discuss matters of education. I am not talking about the Leader of the Opposition's Private Members' Bill, I am talking about the history which has been mentioned by Mr Bossano so I am perfectly in order, if I may say so with respect, in mentioning that in passing, and the GTA point of view which was raised in the debate. That is what they said: "That if elected into Government or into Opposition the teacher should resign from the service, that the teacher who had been elected to the House of Assembly and subsequently wished to return to the teaching profession after serving in the House should have a Scale I post guaranteed provided he returned after the term of four years in office and if the teacher continued in the House of Assembly for over one term of office and then decided to return to the former profession and if he applied for a teaching post through the usual channels, re-instatement would then depend upon the availability of the post at the time." That was the representations and in reply I commented: "That the political objection which existed against teachers standing for election was that while accepting the integrity and devotion of most teachers as a profession, situations could nevertheless arise which politically motivated teachers would have a powerful tool in their hands which could be used to influence their pupils." That has been our policy all the time and that has been expressed and this is in reply to the question put to me as to what has been the result of the meetings with the teachers. They are, of course, perfectly free between now and the Committee Stage to make any further representations if they wish to and they will be looked at. Generally, it would have to dispose of that concern which has been constant. The Honourable Major Peliza spoke about his intentions when he went into Government. He had two years and ten months of intentions and did nothing at all. In fact, he never achieved anything at all in this respect and he had plenty of time to have done it. He found himself against a great difficulty which was challenged here at the beginning of the Private Members' Bill and has not been mentioned because we have a Bill before this House and that is that there is an ultimate responsibility in respect of this which has been considered domestic not to be a defined matter entirely, as you have been made aware of, under the Constitution. That is what prevented the Chief Minister at the time from getting on with it. They question that now. The Bill that has been produced here is of course a Bill approved in Gibraltar Council precisely because it is not a defined domestic matter. That is one aspect of the matter that would stand in the way of any future attempt at introducing this matter in certain areas. I am not saying whether it applies to teachers alone or it applies

to others that is the point. However, the point should not be missed that the Bill itself, in its broad purpose gives the right to a considerable number of people to stand for election who cannot do that now and further that if it had not been because of the insistence by the Opposition over the years that it should be all or nothing we could have had this enfranchisement long before. It has been the obstinacy of the Opposition in this respect that has prevented other people who may be equally keen and able to do so, to do so in the future.

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

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

The following Hon Members voted against:

The Hon J Bossano.

The following Hon Members were absent from the Chamber:

The Hon G T Restano  
The Hon H J Zammitt

The Bill was read a second time.

HON CHIEF MINISTER:

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

#### THE POST OFFICE (AMENDMENT) ORDINANCE, 1981

HON CHIEF MINISTER:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Post Office Ordinance (Chapter 128) be read a first time.

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

SECOND READING.

HON CHIEF MINISTER:

Mr Speaker, I beg to move that this Bill be read a second time. The purpose of the Bill set out in the explanatory memorandum, is to amend the Post Office Ordinance to empower the making of regulations for freeport and business reply postal facilities under licences and without prepayment of postage. I should of course explain that freeport doesn't mean post free. It means that it is sent in advance and that postage is paid by the recipient rather than by the sender. It has been a matter which has been raised before and it has been raised by certain charitable organisations who want to have the possibility of having replies and also it is very practical in commercial terms. I commend the Bill to the House.

MR SPEAKER:

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

HON MAJOR R J PELIZA:

Mr Speaker, the Opposition welcomes the Bill; I think it is very sensible and it might even help to decongest the stamp counters which as you know I have criticised on many occasions here by the lack of staff, long queues and all that, in that respect it might help. In fact, if anything, I am surprised that this has not been done before, I was under the impression that this was possible in Gibraltar and it has taken us quite a while, I think, to catch up with other places. It could be extended, Mr Speaker, as a gesture of goodwill on the part of the Post Office. In England, I think telephone bills usually are freeport. I don't know whether it is the intention of the Government to extend that to telephone bills as well. It might even be extended to other things. It is helpful in a way in that it does decongest counter work and if they were to apply freeport for rents, free post for electricity, there might be a quicker collection and an easier system at the other end so I do commend the Bill and I think it has great possibilities if the Government shows more imagination than it does in other things.

HON J BOSSANO:

I wonder if the Government could say whether in fact the free-post will work only for local post or whether the arrangements cover freeport arrangements from overseas to Gibraltar.

HON CHIEF MINISTER:

I cannot give a categorical reply to that but my impression is that until we see the regulations

that it is only in the first place for post within Gibraltar. You will notice that the freeport in England is not applicable outside the United Kingdom.

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

HON CHIEF MINISTER:

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

This was agreed to.

THE ELDERLY PERSONS (NON-CONTRIBUTORY) PENSIONS (AMENDMENT) ORDINANCE, 1981.

HON MAJOR F J DELLIPIANI:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Elderly Persons (Non-Contributory) Pensions Ordinance, 1981 (no 27 of 1973) be read a first time.

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

SECOND READING.

HON MAJOR F J DELLIPIANI:

Sir, I have the honour to move that the Bill be read a second time. Sir, the object of this Bill is to raise the weekly rate of non-contributory Elderly Persons Pensions from £10.50 to £12.50 in January, 1982, in line with the increases in other benefits which have been approved through the three motions in my name. As there are close on 900 persons in receipt of this pension the cost of this increase will be of the order of £93,000 per annum. In so far as the current financial year is concerned, the extra cost for January/March, 1982, will be about £23,000 but some provision for this increase was made in the approved estimates so that if additional provision has to be sought it should not be more than about £3,000 but even this may not be necessary. Sir, I commend the Bill to the House.

MR SPEAKER:

Does any Honourable Member wish to speak on the general principles and merits of the Bill?

HON P J ISOLA:

Mr Speaker, predictably, I would like to speak on this as I cannot lose an opportunity to show the injustice of the present

system of state pensions in Gibraltar. Mr Speaker, under the Social Insurance Pension, a married couple will be receiving under the Social Insurance Contributory Pension Scheme \$49, a 19% increase which we all approve and agree to. People who receive retirement pensions, non-contributory, such as this one, will be receiving as from January 1982, \$39.60 tax free social insurance pension tax free, retirement non-contributory, tax free. The people receiving the Elderly Persons Pension are getting the same increase percentagewise but in effect a married couple who are in receipt of Elderly Persons Pension will be receiving \$25 upon which they will have to pay tax. This seems to me basically unjust and unfair. Three state pensions, two are tax free one, admittedly, contributory, the other one non-contributory, tax free, and the third one has to pay tax whatever their means. To me this is basically wrong as between state pensions. If it were said to me: "Let us make all the pensions subject to tax," which the Government I am sure would hesitate to do but if that should be said to me, my answer would be: "Well, at least you would get away from the inequality of the system because then everybody would pay tax according to their scales." But obviously I can understand the reason why Government is not going to tell the old age pensioners that they will pay tax on their social insurance pension or tell the retirement people in receipt that they are not going to pay tax. If that is the position of the Government as it clearly is because they have never brought legislation to amend the position with regard to the social insurance pension and the retirement pension, then they should have the guts and they should have the principle to say so will our other state pension be tax free, we know this will help someone or another, in the same way as in the social insurance pension there are some in receipt of this pension who are extremely wealthy people but they receive it tax free and in the same way as in the retirement benefits they receive it tax free. As I said in the House, at Committee Stage, I will put my annual amendment to make this particular pension tax free the same as the other two, to bring them into line and get away with this feeling of injustice that people who are in receipt of the Elderly Persons Pension which is the least of the three sets of state pensions in Gibraltar, to get away with the sense of injustice they have receiving less than the other two for good reasons, perhaps in one case, not necessarily in the other, getting less than the other two, should on top of it have to pay tax on their pension. We are not putting a case for those who are better off here, Mr Speaker I have got to be careful not to be accused of being the leading reactionary on the Opposition side. Whenever the Government is on a little bit of trouble on anything they accuse me of being a reactionary. Whenever I am accused of that I know they are in trouble with their arguments, Mr Speaker. I think this is the enlightened approach, social justice demands equality between state pensioners as in other things and as I said before the only thing that stops them taking this step, because in the general election the Chief Minister gave a knowing wink on this one, I don't know how you give a knowing

wink on radio or television, I know he gave it somewhere. I was told this quite authoritatively on the matter, he may wish to confirm this or not, that this would happen, but it is only the obstinacy, and I use the word again, the obstinacy of the Minister for Economic Development, who has got it into his head that the Elderly Persons Pensions shall be subject to tax whether it is fair or unfair he has made the decision and that's it and the Government has to toe the line and if that is not reactionary, Mr Speaker, what is. Mr Speaker, I hope the Government still has time to agree the amendment I will put later on in these proceedings in Committee Stage and I hope they will appreciate the justice of the case of the people in receipt of the Elderly Persons Pension to be treated exactly the same as people in receipt of other state pensions.

HON MAJOR R J PELIZA:

Mr Speaker, I would just like to ask the Minister for Education and Labour and Social Security to address himself to these points that my Honourable Friend has today introduced. I would have thought that in his introduction of the Bill he might have raised this matter knowing perfectly well, Mr Speaker, that we were going to raise it and therefore have given us an opportunity to discuss the point in the light of the way that the Government sees the issue. I think it is rather a poor way of bringing legislation to this House if it is intended to prevent debate on an issue which is of great public interest. Mr Speaker, by not bringing out the point that I think he should have done, already we are arguing on our own premises. I am afraid I cannot find a better word than prevent debate, with all due respect, because by not introducing this he is in fact doing it. Now he will stand up and perhaps put a case which is not logical in any way and yet if we stand up to try to ask him to give way he is quite entitled to say no, of course, and equally, Mr Speaker, you yourself would not like us to keep doing that for the sake of good order in the House.

MR SPEAKER:

I do not allow the rule to be abused.

HON MAJOR R J PELIZA:

Yes, Mr Speaker, but it tends to do that because obviously if the argument is not put as it should be done, before, it is very difficult, Mr Speaker, to be able to discuss the matter reasonably and this, I am afraid, is not going to take place now. What we are going to have, if it is true that school teachers keep order in the class, is the sort of order that obviously the school teacher in the Government side has done, and this kind of order is now implanted with so much strength that no Minister dares stand up and express a view as to what should be done. I think my Honourable Friend the Leader of

the Opposition, Mr Speaker, has put a very reasonable case. Why make the exception of one state pension? Why ignore a number of individuals who are obviously suffering because of the application of tax where in other instances they are not? Why in the case of teachers you apply a blanket right through whether it is right or not, and in this case we don't? Where is the logic there? Could the Minister who thinks himself to be so logical bring out the logic behind the argument. Where is the logic, Mr Speaker, where is the fair play? If the principle is that people who have the means should not get this extension of the pension perhaps in all pensions, a means test could be applied and in this way at least everyone would be in the same boat, but I think it is discriminatory to pick up a particular section of the public in Gibraltar for reasons that obviously have been inevitable that this should happen this way and make them victims of the rigid approach to this matter of the Government. I do hope, Mr Speaker, as I said before, that the Minister can address himself to this very important issue when he stands up to wind up the debate.

HON CHIEF MINISTER:

Mr Speaker, I am not going to speak to the Bill, I am only going to make a few remarks about the last speaker's intervention. His sojourn in the United Kingdom and his frequent visits to Parliament doesn't seem to teach him anything. The Government hasn't got to instigate debate, the Government brings proposals and the Opposition are the ones, if they don't agree with it, to raise it and it is for the Government to answer. This is how Parliamentary practice is conducted and it seems ludicrous that a man who lives in the city of the oldest Parliament in the world should come and try and teach us another kind of procedure in this House.

HON J BOSSANO:

Mr Speaker, I will be supporting the amendment to make the pensions tax free like I did last year. I think the arguments that are repeated every year, clearly are arguments that we are putting to ourselves because it is quite obvious to me whether debate is instigated or not, instigated as the Honourable and Gallant Member wanted, that all we are going to hear is a repetition of the Government view and a repetition of the views of the Leader of the Opposition and I said last year that he persuaded me in the course of the debate by the arguments he put on then which he has repeated now which is essentially that while there are some merits in the arguments put by the Government that the fact that this type of pension is liable to the payment of tax, the people who would actually pay tax are only those who have already exhausted their personal allowances and their elderly persons allowance and that nobody in receipt of only this income would in fact exhaust those allowances, so the people who would be paying tax on this would be people who have other source of income besides this in order to bring them into

the taxable range, but of course that argument, as the Honourable and Learned the Leader of the Opposition has said, equally applies to people in receipt of old age pension and of retiring pension who span a whole range of income from those who have no other income other than that, and who would not pay tax at all so in essence, in fact, by making something non-taxable, in real terms the greatest beneficiaries are those who have got other income on which they are already paying tax, because in fact any measure of that nature essentially takes you out of your marginal tax bracket and if the marginal tax bracket is 50%, then making a pension not taxable saves you 50% and if your marginal tax bracket is nil then making the pension non-taxable gives you nil, that is inevitable but I have been persuaded by the argument he put last year that the irrationality of the system cannot be defenced by applying that irrationality to one area and ignore it in other areas and therefore unless the Government can come up with an argument that defeats that I shall be supporting the amendment for the same reason as I did last year.

HON W T SCOTT:

I would like to make a small contribution. It never ceases to surprise me, Mr Speaker, sometimes, not the obstinacy, as used by my Honourable Leader, but the rigidity of an entrenched position on this matter, something which to me personally is incomprehensible. The general principle behind not making this particular pension tax free. We have in fact solicited information to see if perhaps the argument could be financial through the tax yield on the something like £2m on the Elderly Persons Pensions that we had in this year's approved estimates. But we do not seem to get a tangible answer on this, it is estimates, estimates and estimates. In fact I would like to bring out a new point with people in receipt of the Elderly Persons Pensions. We know full well that that is the only pension that is subject to tax and I invite the Minister for Education and Labour and Social Security to correct me immediately if I am wrong, but quoting the facts and figures. It is the lowest of all the three state pensions. It has always been the lowest of all the three state pensions. The way in which they increase year by year, the percentage used are I think virtually common to the three state pensions so that in real value terms, in real spending money, the Elderly Persons Pensions pensioner or the person in receipt of the Elderly Persons Pensions pension as years go by is far worse off than he was the last year or the year before in comparison to people in receipt of the other state pensions. In fact, the proportion becomes less and less as the years advance and I would be grateful, as I said earlier on, if the Honourable Minister would be able to reply to me not in general terms but in more specific terms. Thank you, Mr Speaker.

MR SPEAKER:

If there are no other contributors I will call on the Honourable and Gallant Major Dellipiani to reply.

HON MAJOR F J DELLIPIANI:

Sir, I think the views of the Government are well known, this matter is raised year after year and I will not mention them again. I will point out a couple of things. It is true the Elderly Persons Pensions is the only one of the benefits that is taxable but we might be getting to a position, if it is necessary due to finance, that we might make all the other pensions taxable in the future but at the moment we only have one that is taxable. The second point is that for obvious reasons the Leader of the Opposition mentions the highest figure quoted which was \$49 on the old age. But there are people who are not receiving old age pension at \$49 because they haven't got the necessary contributions and that is their only source of income so to me the arguments are still valid and I commend my motion as it stands.

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

HON MAJOR F J DELLIPIANI:

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

This was agreed to.

THE NON-CONTRIBUTORY SOCIAL INSURANCE BENEFIT AND UNEMPLOYMENT INSURANCE (AMENDMENT) ORDINANCE, 1981.

HON MAJOR F J DELLIPIANI:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Non-Contributory Social Insurance Benefit and Unemployment Insurance Ordinance (Cap 113) be read a first time.

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

SECOND READING.

HON MAJOR F J DELLIPIANI:

Sir, I have the honour to move that the Bill be now read a second time. Mr Speaker, unemployment benefit is paid up to a maximum of 13 weeks to an unemployed person who satisfied the requisite contributions conditions, is under pensionable age, 65 for men, 60 for women, and is capable of work and available for employment. A person may be disqualified from receiving benefits for a number of reasons one of which is if he has voluntarily left his employment without just cause. But such disqualification can only be for a maximum of six weeks after which the benefit is payable if no suitable employment has been found. Of all the social insurance benefits, unemployment

benefit is perhaps the most complex and lends itself to some abuses which it is extremely difficult to prevent. In terms of numbers such cases of abuses are not many but one has emerged in recent times, especially nowadays that people no longer attach any stigma to being on the dole. This concerns retired persons such as quite senior Government officials for whom there are rarely suitable vacancies notified to the department which can be afforded to them and it is felt that the unemployment benefit could never have been intended for such cases and certainly not for those who choose to retire before reaching the age of compulsory retirement. These cases although few are totally contrary to the spirit behind the benefit. Even if they were to be disqualified for having left their unemployment voluntarily and without just cause, such disqualification can only be for a period not exceeding six weeks after which the benefit becomes payable unless in the meantime it has been possible to find them employment. This is usually most unlikely, because the jobs for which such retired persons are suitable are such as are not normally notified to the Department of Labour and Social Security. It is felt that a stop should be put to these cases of abuse. As the law stands these claimants may be disqualified under Section 2 (2)(a) of the Non-Contributory Social Insurance Benefit and Unemployment Insurance Ordinance (Cap.113) which enables such disqualification to be imposed if he has voluntarily left his employment without just cause. However, as I have said, the disqualification can only be for a maximum of six weeks. It is therefore proposed to add to the provisions of Section 10(2) by inserting a new subsection to the effect that a person who has retired from his employment on pension at his own request before reaching the age at which he would have had to retire compulsorily from such employment, shall be disqualified from receiving unemployment benefit until he reaches such age even if in the meantime he has lost other employment. However, this would preclude such person even on reaching compulsory retirement from satisfying the prescribed contribution conditions for the receipt of unemployment benefit if having continued as a voluntary contributor after premature retirement he was registering for employment. This is because the proviso at paragraph 3(3) of the Non-Contributory Social Insurance Unemployment Benefit Regulations requires that the last 13 contributions should have been as an unemployed contributor. It is therefore proposed to amend the regulations so that a person who satisfies the prescribed conditions as to contributions but who is disqualified from receiving benefits unless he reaches compulsory retirement age as a result of this Bill, shall on reaching such age be regarded as still fulfilling the prescribed conditions. 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 W T SCOTT:

I would like to speak, Mr Speaker, if I may. I think, in general, we agree with the principles, the merits and the spirit, certainly the spirit behind it, but since the Honourable Member made an observation at the beginning of his contribution as to what or who were the people who would benefit from the Unemployment Insurance Ordinance and there perhaps being certain loopholes which is inevitable and that although people genuinely in receipt of unemployment benefit are perhaps a little bit more acceptable to the rest of the community, I would urge him to continue to find and plug perhaps some other loopholes that might exist so that the person who is in receipt of unemployment insurance is in fact the genuine case and he does not continue to be regarded as somebody who is not worth his salt or perhaps he is not making, nor is capable of making a contribution to the community that we all live in.

MR SPEAKER:

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

HON MAJOR F J DELLIPIANI:

Sir, I thank the Honourable Mr Scott for his contribution. My office is always open to him if he wants to discuss with me any question on this Bill as to whether we can plug any further loopholes and I welcome the spirit of his contribution. Sir, 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 MAJOR F J DELLIPIANI:

Sir, I beg to propose that the Committee Stage and third reading of this Bill be taken at a later stage in this meeting.

This was agreed to.

HON ATTORNEY GENERAL:

Mr Speaker, if I may move that Standing Order No. 30 should be suspended in respect of the Public Health (Amendment)(No 3) Ordinance, 1981, and in doing so I must apologise to Hon Members on the opposite side that it has not been possible to have this Bill printed the required 7 days before its First Reading.

Mr Speaker put the question in the terms of the Hon Attorney General's motion which was resolved in the affirmative and Standing Order No.30 was accordingly suspended.

THE PUBLIC HEALTH (AMENDMENT) (NO 3) ORDINANCE, 1981

HON J B PEREZ:

Sir, I have the honour to move that a Bill for an Ordinance to further amend the Public Health Ordinance (Cap 131) be read a first time.

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

SECOND READING.

HON J B PEREZ:

Sir, I have the honour to move that the Bill be read a second time. Mr Speaker, early this year the Government established a Committee to look into and report on ways of dealing effectively with persistent accumulations of rubbish and litter in Gibraltar, a problem that poses danger to public health and has an adverse impact on our image as a tourist resort. In reporting to Government, the Committee made a number of recommendations to combat the problem. These included an intensive publicity campaign directed to the public generally and traders in particular and health education programmes in schools aimed at emphasising the need to keep Gibraltar clean and the high cost of doing so. Strict enforcement of the existing anti-litter provisions of the law and the introduction of a number of legislative measures designed to reinforce the present provisions for enforcing anti-litter laws. The legislation that Government proposes to promote for this purpose has a number of facets, some of which fall to be implemented by amendments to Ordinances and others by means of subsidiary rules. This present Bill, Mr Speaker, will amend the Public Health Ordinance by incorporating into it new provisions to protect neighbourhood amenities from the detrimental effects of accumulations of rubbish on vacant sites and in yards, on penalty of substantial fines. Further provision is made enabling the Government, on giving notice to the owner or occupier of such a site, to take steps to remove such accumulations and to recover his expenses from the person on whom the notice is served. An owner or occupier on whom the notice is served will first be given the opportunity to propose and carry out his own remedial measures and will also have the right to appeal to the Magistrates Court against the reasonableness of the measures that the Government proposes to take. These new powers are in addition to the existing powers which are already contained in the present Principal Ordinance. They are, Mr Speaker, in fact modelled on the provisions of the United Kingdom Public Health Act of 1961. The Bill before the House, Mr Speaker, contains further provisions creating offences for abandoning on open land other than public highways, motor vehicles or parts or other items brought on to the land for the purpose of dumping. Substantial penalties are also imposed for this offence and the new provisions are based on section 2 of the United Kingdom Refuse Disposal Amenity Act of 1978.

Finally, Mr Speaker, the Bill substantially revises the penalties for other litter offences in the principal Ordinance and in rules made under the Ordinance. On first conviction a maximum fine of \$100 may be imposed while on a second or subsequent conviction the offender will be liable to a fine of \$200 or imprisonment for 3 months or both fine and imprisonment. As I have intimated, the Bill is only one of the legislative measures proposed to deal with the problem of litter and this, Mr Speaker, I think is a convenient time for me to outline the other measures which Government are prepared to take because this is by way of a package. At this meeting of the House, Mr Speaker, a further Bill is before the House, namely, one which seeks to amend the Criminal Offences Ordinance to increase the penalties for damaging flora in public walks and gardens and in Crown Land. Shortly after this present meeting, Mr Speaker, a number of new measures of subsidiary legislation will also be promulgated and these will deal with the following matters.

(a) The hours at which refuse may be placed in the streets for collection in a defined inner city area;

and by this, Mr Speaker, I mean from basically the whole of the Main Street area of Gibraltar including junctions, Town Range, Governor's Street, Engineer Lane, Cooperage Lane, Irish Town, etc.

(b) The types of refuse that may be placed for collection.

(c) The places at which such refuse may be placed.

(d) The mode of placing of refuse for collection and in particular the types of containers that may be used; and

(e) Safety measures relating to the placing of refuse in the streets for collection.

Mr Speaker, all these rules will in fact be brought, I feel, within a period of a fortnight after the meeting of this particular House. This is proposed to be done by way of rules which we are empowered to do under the Ordinance and of course we shall give due notice to the public, the public will have plenty of time and they will be told exactly what particular streets are in fact covered by the rules and at the precise times in which they will be allowed to place the litter out for collection.

Finally, Mr Speaker, it is also proposed to include in an amendment to the Animal and Birds Ordinance which is being prepared at the moment by Her Majesty's Attorney-General, for provision for the better control of dogs in public places. I think, Mr Speaker, although the Bill is not before the House, what Government has in mind in this particular amendment which I hope to bring shortly to the House, is that Government is thinking of making it compulsory for all dogs to be held on leads. In other words, we want to prevent what I feel is happening in Gibraltar now which is that people with dogs tend to open the doors in the morning and they let their dogs go out, roam about the streets and then the dog returns in the evening. This is the practice which Government wishes

to put an end to and I am sure all members will agree will lead to a much cleaner Gibraltar. But, Mr Speaker, I must stress that the Government is in fact conscious of its obligations as far as legislation and the administration is concerned but I must stress here, Mr Speaker, that no amount of legislation or measures or rules made by the Government can succeed without the cooperation of everybody in Gibraltar. I think, Mr Speaker, that the problem of litter is mainly caused by a minority of individuals who not only do not have any regard for the law but in fact have no regard and no consideration for others and I think, Mr Speaker, a stop must be put to this particular attitude of these individuals. So, Mr Speaker, I would once again say that it is not only by Government intervention that we can put a stop to the litter problem in Gibraltar but I ask for the cooperation of everybody living in Gibraltar. I commend the Bill to the House.

MR SPEAKER:

Does any Honourable Member wish to speak on the general principles and merits of the Bill?

HON A T LODDO:

Mr Speaker, we welcome the Bill on this side of the House. I am particularly pleased. This is obviously meant to be a bung or a stop for a loophole, the fact that now it is an offence as well to have these accumulations on open sites. I was pleased to see the Committee's recommendations going as far as to encourage a publicity campaign and health education in schools. I also notice he said strict enforcement to anti-litter rules. Earlier in the proceedings of this House, I had a question down which asked how many prosecutions for litter offences had there been since the last industrial action regarding refuse and the answer was none. It is all very well to pass Bills, to make laws, but these laws are meaningless if they are not enforced. It would be ideal if everything could be done by persuasion, by persuading the public not to drop litter, not to abandon cars, to have their dogs on a lead. This would be the ideal situation. Unfortunately, we all know that that is not the case, so if you cannot persuade then you must punish the offender. The only way that this Bill will become meaningful is if those persons responsible for the enforcement of this Bill, which I presume are the Environmental Health Department and the Police, if they come up with prosecutions which will subsequently be dealt with by the court and the stiffer penalties which I am sure once a few of these are imposed, the stiffer penalties will act as a deterrent like none other. I welcome the Bill, Mr Speaker.

HON P J ISOLA:

Mr Speaker, you heard the Opposition viewpoint from my Honourable Friend, Mr Loddó. The only point I would like to

make is in that particular new section about vacant land. I wonder whether that could not be amended at Committee Stage to include not just the owner or occupier, but also a person being on vacant land whether as supervisor or chargehand or whatever. The reason I say this is that most of the land in Gibraltar is, in fact, owned either by the Ministry of Defence or the Gibraltar Government. Obviously you cannot summon the Gibraltar Government or the Ministry of Defence for leaving rubbish but what you can do is summon people who are responsible for it and I think this is something that should be borne in mind because if we are talking of clearing and tidiness all round I think it is important that anybody who is responsible for a rubbish dump wherever it may be, should be conscious of the fact that he is liable to this law as well and that is the point I would like considered there, Mr Speaker. That is really all I have to say. As my Honourable Friend Mr Loddo has said, we welcome this Bill.

HON ATTORNEY GENERAL:

Mr Speaker, if I may come back to this point in a moment. First can I return to the question of prosecutions for infringement of the litter laws and as it has been said and as is well known, there was a period when a number of prosecutions early this year were discontinued, did not proceed. I would just like to make the point that does not imply that prosecutions will not continue in the future. One has to look at the situation that prevails at the time because I can say something about this. It was an appeal in a situation where trade refuse had to be taken as having been left outside but with the authority of the Government because the Government had invited people to leave their trade refuse on the streets. In the appeal it proved to be a successful ground of defence that this authority existed and because of that decision the cases we had before us which to us seemed to be all of the same kind were cases which we felt we could not properly proceed on but of course that does not mean to say that for the future we will not prosecute appropriate cases. I think, myself, that there is no need to amend the laws, strictly speaking, to cover the situation that could be done administratively but in fact the new subsidiary legislation which we will be producing will make it easier to enforce these provisions. If I can come to the second point. Clause 2 of the Bill and particularly the new Section 68A, I think it is really directed towards imposing a liability on the person either who owns the land or, what is more likely in Gibraltar, the person who is in occupation of the land such as the leasee. I think that is the primary purpose of this clause. There is another clause, Section 68(b), which deals with dumping things on land that, it seems to me would be wide enough to cover the point which concerns the Honourable and Learned the Leader of the Opposition although I would like to examine the point he made in detail but it does seem to me at this stage that that will cover the point.

HON P J ISOLA:

It would cover the point, Mr Speaker, if he didn't just use the word "abandons" in section 68(c) but used various as a permutation, causes, allows or suffers, as well, if he put it all in there, yes.

HON ATTORNEY GENERAL:

I take the point, it is something we can look at before the Committee Stage.

MR SPEAKER:

If there are no other contributors I will call on the Minister, if he wishes to reply.

HON J B PEREZ:

One particular point, Mr Speaker, if I may. I am grateful for the contributions of the Honourable Mr Loddo and the Honourable the Leader of the Opposition. I think as far as the legalities of the comments made by both members, they have been dealt with by the Attorney-General but I would merely say to Mr Loddo that, yes, I entirely agree with him that it is really a question of enforcement and this is something which the Government intends to pursue once our legislation is, I wouldn't say in a perfect state, is in a state in which prosecution can be brought and can be successful then Government will do its utmost to ensure that the legislation is, in fact, enforced, both by the Police and the Environmental Health Officers who come under my responsibility but I do agree with Mr Loddo it is no good having legislation if one is not prepared to enforce it. 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 J B PEREZ:

Mr Speaker, 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 CRIMINAL OFFENCES (AMENDMENT) ORDINANCE, 1981

HON J B PEREZ:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Criminal Offences Ordinance (Chapter 37) be read a first time.

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

SECOND READING.

HON J B PEREZ:

Sir, I have the honour to move that the Bill be read a second time. Sir, the Bill before the House is quite a short Bill and I think I will merely deal with it by reading the explanatory memorandum which is contained in the Bill itself. The purpose of this Bill is to increase the penalties for damaging or interfering with flora in public walks or gardens or on Crown Land. The increase also applies to seats in public walks and gardens. The present maximum penalty is a £100 fine. The new maximum penalty will be a £250 fine or twice the value of the thing damaged or interfered with. This provision is based on Section 15 of the Civil Amenities Act, 1967, of the United Kingdom. Mr Speaker, I commend the Bill to the House.

MR SPEAKER:

Does any Honourable Member wish to speak on the general principles and merits of the Bill?

HON MAJOR R J PELIZA:

I just wondered, Mr Speaker, whether as it stands now it would include things like fountains or, say, the sundial and places like that which could obviously also be vandalised. Does it, in fact, include that.

HON ATTORNEY GENERAL:

Mr Speaker, in fact, no. It is really directed towards flora, plants, shrubs. We have not changed the scope of the existing law, we are simply increasing the penalty so it does no more than increase the penalty for an offence which already exists. That is the scope of it, it is really only what I would call flora plus, for some reason, seats, but that is the existing law already.

HON M K FEATHERSTONE:

Sir, I would like to say something on this. I am afraid, Sir, that Public Works which has over the last few years been doing its best to beautify Gibraltar by the planting of trees and shrubs in various areas, has been fighting a losing battle against, unfortunately, two types of vandals. The first type of vandal much to, should I say, our disrepute, almost, happen to be local school children who I am afraid on many occasions seem to think that trees can be treated with impunity, branches broken off, that they can walk through flowerbeds on their way to school because it is a little shorter that way than round

the pavement and I would hope that both parents and school teachers would try to inculcate in our youngsters a love of trees and shrubs and the fact that Gibraltar needs all the greenery it can possibly have to be beautified. The other type of vandal, Sir, again very regrettably are some of the UK visitors, in particular from naval ships. They seem to think that they can come ashore to have a good time, drink far more than they need, perhaps vomit at the pavement corners and just as an extra little bit of exuberance, the breaking of trees. One place in particular seems to be the trees in Cornwall's Lane where three times we have replaced a tree and three times it has been broken almost to the ground. I would hope that any bar owner who sees one of his customers getting a little bit exuberant would stop plying him with liquor and that any person who happens to see them when they get out of the bar start damaging a tree would ring the police as quickly as possible. It is not for this House to tell the judiciary what to do but I would express at least my own hope that if anybody is caught damaging a tree, a tree or shrub, the maximum penalty should be imposed on them forthwith. I would have no compunction to say they are sky-larking, I think that they really need to be dealt with very seriously and perhaps the word could get to the naval authorities that if youngsters, and most of them are youngsters, do come ashore and indulge in this type of sky-larking then they are going to be very roughly treated if they land up in court.

HON P J ISOLA:

I am glad to hear the Minister express such forceful views on the matter but I thought that perhaps one way this could be done would be for the naval authorities to be informed officially of the severe penalties that are being put in now for this sort of offence and I would also suggest that school authorities are also informed so that the two kinds of people who are doing this sort of damage should be told that there are heavy penalties now and that prosecutions will be made whether it is a young man or a young sailor or a young boy. I would have thought that prevention is always better than punishment and cure and I would have thought that if the provisions of this new section were brought to the attention of schools as well as the naval authorities it might help the respect for the law that we would all want in this particular area.

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 propose that the Committee Stage and Third Reading of this Bill be taken at a later stage of this meeting.

This was agreed to.

THE HOUSE RECESSED AT 1.05pm

THE HOUSE RESUMED AT 3.20pm.

THE REVISED EDITION OF THE LAWS ORDINANCE, 1981

HON. ATTORNEY GENERAL:

Sir, I have the honour to move that a Bill for an Ordinance to authorise the preparation of a revised and consolidated edition of the statute law and to provide for a continuing process of revision and consolidation of such law be read a first time.

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

SECOND READING.

HON. ATTORNEY GENERAL:

Sir, I have the honour to move that the Bill be read a second time. As Honourable Members are aware the Government is proceeding to have a reprinting of the statute law of Gibraltar carried out. Such an undertaking is now due. The last edition of the statute law was in 1965. Since that date the statute law, predictably, has grown as it has become increasingly more complex. One notable factor is the obligation to meet EEC requirements and no less importantly, Gibraltar has a requirement for modern legislation for commercial, administrative and social purposes. It is important for the statute law of Gibraltar to be comprehensively stated in clear, logical and up-to-date form and should also be readily and conveniently available to administrators, to the profession and, generally, to the public at large. As the House is aware, Sir John Parley Spry has already been appointed to undertake this project and as a former Chief Justice of Gibraltar I am sure everybody will agree we have been fortunate to secure his services and the advantage that will accrue to us because he is familiar with the laws of Gibraltar. The Bill before the House would invest him with the necessary powers to undertake the work and it would also provide for a continuing process of annual law revision. I should like to say something about the nature of the reprint. The work will be presented as at present in a series of volumes suitably bound and inscribed and designed to enable material to be added or removed. It will be arranged in strict alphabetical order except that certain statutes of major importance or of general application will be placed at the beginning of the series. The statutes we have in mind at present are first of all the Gibraltar Constitution Order, 1969, the Interpretation and General Clauses Ordinance, which of course is the statutes' dictionary, the Application of English Law Ordinance and also this present Bill. The reprint is going to contain all the statute law of Gibraltar other than laws that are temporary or a specific or of a private nature and it will also contain all prerogative Orders-in-Council.

MR SPEAKER:

If I may interrupt. What do you mean by "temporary measure" is it defined what temporary measure is?

HON. ATTORNEY GENERAL:

No, it is not defined, Mr Speaker. The type of measure I have in mind would be, I think, a loans empowering measure, for example the Ordinance which the House passed last year which was authority to raise money for the period 1980-83, that type of measure. It is something which is of temporary duration and after a given period of time will cease to have effect and therefore really is not needed in a continuing general statement of the laws. In addition to the prerogative Orders-in-Council the reprint will also contain those other English statutes which apply to Gibraltar and which by reason of their size or the frequency with which they are used or their importance, it is convenient to include in the reprint. So far as other United Kingdom Orders-in-Council are concerned, the Commissioner will have power not to include them in the reprint but in such cases he would either put a reference or, perhaps, if the situation warranted a more extensive summary of the effect of the statutes not so included the reprint will also contain a full chronological list of statutes that have been enacted in Gibraltar over the years, an historical record, and indices so that anybody who wishes to will be able to refer to these tables and trace the history of the statutes of Gibraltar and I think that is essential to any general re-statement of a territory's law. As at present subsidiary legislation such as Regulations, Orders, Notices, Rules, will appear in the reprint immediately after the parent ordinances under which they are enacted so if we take, for example, the Coroner's Ordinance, one would find the Coroner's Rules under the same part of the reprint and immediately following. It is proposed that the reprint will be in what is known as the loose-leaf form and it will be an entirely loose-leaf form. By that I mean that every page contained in the reprint will be removable. At present the laws of Gibraltar are loose-leaf but only to the extent that each particular statute may be removed, at present you cannot take each page off. Given the resources of Gibraltar and the practice already established here, it is considered that the loose-leaf form as opposed to the presentation of the law in bound volumes, is desirable. The reasons why it is desirable I think are these. It enables the law to be updated more economically by reprints of particular statutes from time to time and it is convenient to regular users. Although there is in fact a shortage of sets of the laws of Gibraltar at present, nevertheless experience, I think, has shown quite clearly that the binders used to contain the existing reprint have in fact proved durable and have proved practical. Mr Speaker, careful consideration has been given to the respect and merits of, on the one hand, a system such as the present one in which the reprint is only partly

loose-leaf i.e. it is loose-leaf to the extent that each statute is detachable and on the other hand the proposed new reprint, where every page will be detachable. The advantage of the present system is that it provides for greater integrity in the presentation of the laws, it is physically harder to lose copies of the laws. As against this, the entirely loose-leaf system we think has this advantage, that it enables the laws to be printed completely up to date shortly after the end of each year by an annual supplement and this should result in a significant saving in reprinting costs for individual statutes because if a statute is extensively amended such as the Landlord and Tenant Ordinance or the Companies Ordinance, instead of having to reprint the whole set of it will be possible to take the particular pages and reprint those. On balance we prefer the entirely loose-leaf system. It does call for greater discipline in keeping up-to-date and in keeping intact the annual supplement but it is nevertheless the same kind of system that is adopted in many legal encyclopedias and other legal periodicals which have to be brought up to date from time to time. At the same time there is a need, for the purposes of our records, to keep fully bound copies of the laws of Gibraltar in certain places. In fact, five such sets will be ordered, one for the House itself, one for the Judiciary, one for the Chief Minister's Office, and on this I will be moving an amendment at the Committee Stage of the Bill because I think it is important that such a bound record should be kept in the Chief Minister's office, one in the Deputy Governor's office and one in my own Chambers. We will make some provision for any private individual who wishes to, to be able to order a bound set. I doubt that there will be much demand but anybody who is prepared to go to the expense of ordering an entirely bound set will be able to. It will also continue to be the case that people who want to, will be able to obtain stapled copies of the individual statutes because I think this is a matter of some practical convenience, in other words, if an individual wishes to obtain the Landlord and Tenant Ordinance or the Coroners Ordinance it will be possible to get this as a stapled Ordinance. Mr Speaker, I mentioned that the reprint will be alphabetically arranged and I would like to elaborate on this. The present practice of assigning a chapter number to every statute in addition to the fact of alphabetical arrangement will be discontinued. To do so would, in our view, be to compromise the alphabetical scheme of the reprint and if we adhere to the alphabetical scheme, in principle, it should mean that there will be no further need for a reprint because new material could simply be inserted as the occasion arises in its appropriate alphabetical order within the 1982 reprint and as the volumes fill up it will be possible to obtain new binders and put them into that. I did say, in principle, because in practice I think, given a measure of wear and tear, the time will in fact eventually come when a reprint is necessary. In theory we think it won't be necessary but I think in practice Gibraltar is going to find that a further reprint will become necessary.

To put the matter in its proper perspective I would say that the scheme that we are adopting should mean first, that the need for a general reprint becomes less frequent and also that the production costs, this may or may not be a significant factor but the production costs should be able to be kept down because it does appear to me that each individual statute being more up to date then there will be less need for editing when the time comes to do a comprehensive reprint. The reprint will not be a revision of the laws of Gibraltar in the strict legal sense of that word because there is a need to have a reprint as soon as practicable and the Commissioner is in fact working to a fairly tight schedule on this. The reprint will state the law as at the 31st of December, 1982, and time does not permit extensive or substantial revision of the laws. Having said that I would like to stress that the reprint will nevertheless take the opportunity of modernising terminology, consolidating different statutes wherever possible, if it seems that two statutes can conveniently be brought together then the opportunity will be taken to do that, bringing references up to date, of course, and generally to improve and simplify the overall presentation of the laws of Gibraltar. I think more than that, the adopting of an alphabetical and entirely loose-leaf system of statutes will mean that in the meantime we can continue with the on-going process of revising laws and as we do so they can be incorporated into the new reprint without immediately beginning to detract from its integrity. There will also continue to be a need as at present to annually bind the statutes which have been passed by the House or under the authority of the House, during the course of the year. I think that is necessary to maintain a complete historical record of the statute law of Gibraltar. The Bill now before the House has been drafted by drawing on precedents from other jurisdictions. I should say that it confers wide powers of editing and of reorganisation on the Commissioner but at the same time this is subject to the important qualification in clause 8 of the Bill that he will not, in fact, be empowered to make substantive changes of laws, I think this is a very important qualification to stress. In fact, it is anticipated that in the course of this project it will become apparent that certain substantive but perhaps particular changes need to be made from place to place in the laws as part of the overall process of reprinting and accordingly I expect that what will happen in the course of the project is that the Commissioner and I find it necessary to present Bills which strictly are of a miscellaneous nature but I think are properly characterised as law reform bills, picking up small but nevertheless substantive points of law and asking the House to endorse these as part of the project, in other words, we will be bringing specific measures to the House rather than seeking to rely on the Commissioner's powers or I should say, strictly speaking, lack of powers to do this in the process of editing. We will seek the approval of the House to these proposals. Once the reprint is completed it will be brought into force by proclamation. I have also referred to the continuing process of

annual revision hereafter because I am talking at present about the initial reprint, of course, and once that is established then there will be a need for an annual process of revision. The scheme is contained in the second part of the Bill and the scheme is that as early as possible after the 31st of December in every year, once the reprint has come into force, the Attorney-General would cause all amended pages during the course of that year to be reprinted and would then issue an annual supplement containing the pages to be added, the pages to be removed and instructions for the guidance of users. He will also appoint a date on which the annual supplement will come into effect. I should draw your attention to the fact that the Bill in this respect confers on the Attorney-General the same powers as the Commissioner so far as the annual supplement is concerned, subject however to this requirement that he must lay the supplement before the House of Assembly and the House of Assembly may of course, if it sees fit, annul the supplement. I would like just to revert to two other aspects of the project, Mr Speaker. We anticipate at this stage that we are talking about an exercise of some 7,000 pages and we have at this stage also assessed what we see as the demand for sets of the reprint. Our present reckoning is that we will probably be able to dispose of about 300 sets though having regard to the fact that at the moment it is difficult to get sets of the laws of Gibraltar we will pay special attention to the need to make sure that in a manner which is consonant with cost, we do have enough copies to carry us through until such time as there is a further reprint. Mr Speaker, may I conclude by saying that Gibraltar's need for legislation is extensive and the production of the statutes is a demanding task to meet those needs. I think the proposed reprint is a matter of considerable importance in the administration of the laws and I would commend the Bill to the House.

MR SPEAKER:

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

HON A J HAYNES:

Sir, we commend, in principle, the idea of a reprint of the laws of Gibraltar and most especially we are pleased to see Sir John Spry in the post of Commissioner. We think he is a man truly able and capable of such a task. There is, however, one drawback we see in the matter and that concerns the terms of reference for Sir John. We believe that in the same way as the Landlord and Tenant Ordinance in Gibraltar has become over the years a baggy monster and generally is outdated that this is true of much of the other legislation which is current in Gibraltar to wit for instance, trust law in Gibraltar has been undertaken alarmingly by statutes in England and we believe that before this mammoth task, as it would appear to be, of revising the laws is undertaken, that as a primary step

the Attorney-General should be satisfied that these are the statutes that he wants to see incorporated in the new laws of Gibraltar. I think if the Commissioner were to be given authority or if some way were to be found to examine the validity and especially the long-term validity of much of the legislation, that this would ensure that the revision once it was undertaken, it would be of a more lasting nature. I think, and all praise to the Attorney-General that certainly as regards criminal laws we are up to date but even here we have got certain anomalies which I think could be looked into. What I would like to say, Mr Speaker, is that I feel that there is much legislation in Gibraltar which could be revised generally and not just in a printing sense but in a legal sense and that as such before expending quantities of money on the subject we should ensure that these are the laws that we want. Perhaps the Bar could be approached on this matter and suggestions from the Bar as to which statute or which legislation they feel this House should consider incorporating into our own laws, should be borne in mind. I think the Attorney-General's Chambers could also advise on any recent United Kingdom legislation which is worth embodying in Gibraltar. Also related to this matter I think the increasing legal machinery in connection with the European Community ought to be taken into account when a revision is contemplated and perhaps one volume should be dedicated to European law and the growth from that Community. I foresee an increased load on our legislation deriving from the Common Market, and it is only fair that if we are to participate fully within the Common Market, that we should be prepared to incorporate directives and regulations as and when they appear. This at a practical level, may require certain provisions for volumes and bindings which may require a separate volume for that law and I think that when we talk about revising our laws we should bear in mind the directives in the various fields that the Common Market is already putting out and even if the House is satisfied that our legislation is suitable for our needs, the House may feel that nevertheless the Common Market will be in its wish to uniform the laws of the Community, may be pushing us to a change of or a radical look at some of our legislation and therefore now is the time to examine these laws. Therefore I feel that in view of the fact that much of our legislation derives from the nineteenth century, in view of the fact that the Common Market is taking a far greater word in the legislative aspect of community life, that the revision of the laws should come about after we have examined these two factors in the light of our own law. Therefore, I would like to see the Commissioner advising, if possible, in this respect. I think the Commissioner, Sir John Spry, is again a man with the ability to undertake this task and having served in Gibraltar as Chief Justice I think he is particularly aware of our needs. Lastly, Mr Speaker, I would refer to the binding proposals made by the Attorney-General. I am pleased to note that consideration has been taken into the binding of the revised laws. I feel that perhaps the idea of a loose-leaf binding may not be practical. I wonder whether it has been

considered having two forms of binding, loose leaf binding for those Bills or statutes which are perennial visitors in this House which are annually revised, and stapled binding for those statutes which, generally, are not subjected to any change and that might, in practical terms, result in a longer life for the revised edition. Mr Speaker, my primary concern is for the timing of this revision of the laws. I believe that we are now on the threshold of a wind of change blowing from Europe, a wind of change which requires uniformity within Europe, and also we have come to the cross-roads at which much of our statute law is outdated. Perhaps now is the time to examine the value and the usefulness of these statutes before embarking on a scheme which will lumber us with them for some continued years at considerable expense.

MR SPEAKER:

Are there any other contributors?

HON MAJOR R J PELIZA:

I would like to support my Honourable Friend, Mr Speaker, in the very sensible suggestions he has made and one cannot but agree with a lot of what he said. After all, it has been nearly over 15 years now, according to the dates given by the Attorney-General, since the laws were revised last. This is an exercise which is taken at long periods and therefore I think we should try and make the best of it now. I am very pleased to hear him say that he is going to improve the binding and that he is going to bring up-to-date the terminology of the law in certain instances, that he is going to make it very comprehensible. I think this is very important because after all I think it is a rule of law that ignorance of the law is no excuse and I challenge the layman to look at some of the legislation and make any sense out of it. I think the more plain language one can put into the law the better it would be. I think, Mr Speaker, that another point is that there should be a place where any individual can go and have a look at the law. If it is available at the Mackintosh Hall, well then that is fine. I just wondered whether these facilities were available. All I can say is that if this is being brought up-to-date and it is going to be made more comprehensible and the laws are going to be bound together by subjects, it would be a tremendous improvement, I think, for the layman like myself who may feel that they want to know something about it and it is much easier to get at it. I think particularly the index which the Attorney-General has said he was going to try and improve and extend, the more that is done the easier it will be for the layman to be able to get at it. I am very glad to see, Mr Speaker, that this is being done. On the other hand I think he gave a target date of the time by which it has to be ready and my own view is that taking into consideration the suggestion made by my Honourable Friend today, if for the sake of getting the law up-to-date, really up-to-date in the sense that my

Honourable Friend suggested, it may take a little longer, I think it would be worth the slight delay for the sake of having completed this exercise in a proper way on this occasion.

HON CHIEF MINISTER:

Sir, I can understand the last speaker being slightly ignorant of the difficulties involved in a law revision and I certainly cannot understand how the Honourable Mr Haynes could have said the things that he said. When we talk about the trust laws are we going to leave it to the Commissioner to change the law of trust in Gibraltar? If we talk about the land law are we going to leave it to the Commissioner to review the land law? If we talk about company law these are all matters of policy, matters which are the responsibility of this House to review. The fact that they may be out of date of course we have a very practical means of having English statute law by the Application of English Law Ordinance. I was successful, when in the Opposition, in getting the Variation of Trusts Act which is a very necessary one in charitable trusts, incorporated into that as a Private Bill and this we can do quite easily as we go along but I do not think that Honourable Members opposite, certainly not Mr Haynes, realises what it means to revise the laws. We are trying to reprint and bring them up to date. In one thing he is certainly wrong, and that may be a matter of appreciation, he may think it can be done quicker. I think it would take years and years to review all the statutes that we have in the statute book and bring it up to date and by the time you finished that process then what you did at the beginning of a long process would already be out of date that that is why the law is being revised continuously. But where he is completely wrong, where the facts in England have shown that he is completely wrong, is in the question of the European Law. In England, on the entrance of Britain into the Common Market it was thought that the EEC statutes and regulations was going to flood the profession and that the High Court was going to be concerned continuously with European law. As it happens, anybody who looks at the reports or looks at the law report in the Times finds out that occasionally one of these cases come up. So that if we wait to revise in addition to our laws to bring up the date that terrific bureaucracy which is created in Brussels and which issues out directives as to the synchronisation of lawn mowers or the rationalisation of labelling and so on, we would never finish. It is impossible. There are two very important factors why this has got to be done quickly. First of all, because it is now seven or eight years since the revision was done; secondly, because with people interested in Gibraltar as a finance centre and so on, wanting to know what the laws are, they naturally want to see the laws applicable in Gibraltar, generally, and it is of course regrettable that we haven't got sets of laws available to be sold to people. There are some Ordinances that have been made and one or two others which are under review. I think the criminal law and the Income Tax Ordinance have been revised overall from time to time and

there is a very useful little book which is published every year which gives you the amendments that have been carried out to the different Ordinances during the year. But all this will certainly go into the sets and the sets will be much better. We are going to have a loose leaf set and we are going to have a bound set, according to the Attorney-General, so the point made by the Honourable Major Peliza is covered. For record purposes we will always have to have what was passed during the year but for daily purposes of looking up the law we have to have it up to date so we will have both in any case. I think this is a very necessary one and I would like to hear the views of the Leader of the Opposition who I am sure has got a better knowledge of the vast work involved in doing what Mr Haynes has suggested and the endless time that it would take. Another thing, of course, is that if we want to embark in a short period, we are talking about another year or two years, then I am afraid that the House of Assembly will have to be sitting day in day out for a year if we have the necessary servicing from the already hard worked legal department to provide all the ordinances . . . .

HON A J HAYNES:

If the Hon Member will give way. The Chief Minister seems to be, in fact, agreeing with what I am saying. He says the work would be, if they were to do what I suggest, would take years which means that the problem is there. He would rather leave it for another day and the longer you leave it the bigger the work.

HON CHIEF MINISTER:

I have not said anything of the kind.

MR SPEAKER:

I think what the Chief Minister is trying to distinguish is between a revision and an amendment to the laws. The law, perhaps, need amendment but the amendments should come to the House of Assembly serviced by the Attorney-General's department in due course, a revision would not require that.

HON A J HAYNES:

Initially I thought I made it quite clear. I did not suggest the Commissioner should pass the laws of Gibraltar. I merely said that he should at an initial stage, indicate to the Attorney-General and therefore to this House those laws or those statutes which in his opinion could do with revision and it would be up to the House then to decide on the merits of the matter. What I would emphasise, Mr Speaker, is that the Chief Minister seems to me to have indicated that it is his wish to produce a revised laws of Gibraltar quickly in order to enhance our finance centre capacity.

HON CHIEF MINISTER:

I cannot allow the Honourable Mr Haynes to make a speech. I am prepared to be interrupted to clear up a point but I am not going to allow him to make another speech. I wasn't saying anything of the kind. I did say that it was necessary but that was not the purpose of the revision, that is one of the reasons for having it. There are commissions for revision and commissions for reprinting and commissions for revisions. We have got very, very wide powers once you give them the outline of what you want. You could tell the Commissioner to prepare a draft Bill on the basis of the Law of Property Act in the United Kingdom and he would produce that after a long time and then it would be up to us to decide whether it is applicable or not. The Land Law is one which we have to tackle and we have to tackle it with purpose and that will take a long time to do and we cannot wait for a reprint of the laws until things like that are done. The question of law is fundamental. We are still dealing with the 1889 Conveyance Act and so on and no one has had the time or the courage to tackle that, either politicians or lawyers in the Attorney-General's department because of pressure of work. The Companies Ordinance requires review and now there is a huge new companies Bill in the House of Commons already revising the 1948 and the 1952 and the 1962 Bills. That doesn't mean that we have to do exactly the same though we have to decide on certain matters. Matters of policy, for example, the Company Law. If we are going to have a new Company law like the 1948 Act in England then we have to decide matters of great policy because there are certain advantages in keeping the 1929 Act and that cannot be done except by the legislature. The legislature must devote a lot of time if it wants to revise the laws but it is a continuing process, you never finish. Here at least we know that if we rely on United Kingdom statutes we have the common law on which to rely and the equity, but in England you have the whole spectrum as background on the common law and equity. I think it is a completely impossible task if we would be aiming for something ideal which we would never get. What we must do is get our laws reprinted somewhat revised as proposed and make up our minds what are the laws, and that would be perhaps a bipartisan approach to the matter, what are the laws in the statute which do not affect really fundamental policy but affect the question of the administration of justice, what are the laws that we should revise and what are the priorities we should give. Should it be the trust law first, should it be the company law, should it be the land law? All these matters are very important but they cannot be settled by saying instead of having a reprint in the form that has been proposed, we should have a revision of the laws before and as I said the question of European law really that would be a monstrous task to try and incorporate into our law. It is bad enough to keep up with the directives that we receive, let alone try and incorporate it into our law. I think the Commissioner has got

a very, very clear picture in his mind of what his duties are going to be, he thinks it is going to be very worthwhile. I don't know whether it has been mentioned but we are being given the benefit of his advice through the Overseas Development Administration, he is doing the work as has been said, with the knowledge of the practice in Gibraltar and I think he can do nothing but good to get on with this reprint and then from there and in the meantime carry on revising the laws and bring them up to date. As far as criminal law is concerned we seem to be pretty up to date on revisions in England but of course the amendments there are so often that we do not meet that often here to be able to bring them up to date immediately after but we have, I think, most of the provisions of the criminal law. Mr Speaker, we of course think that this is a very worthwhile exercise which has taken a long time to mature and that it deserves the support of the House.

#### HON ATTORNEY GENERAL:

Mr Speaker, I would like to thank the Honourable Members for their comments and their ideas in respect of this Bill. I would like to say that while it is important to keep laws up to date, I think here the immediate need and urgent need is to consolidate the laws in an up-to-date form and a comprehensive form and more than that in a readily available form as they now stand. It seems to me this is the first priority. I would also like to make the point that nothing in the process of reprinting or nothing in this project will in itself preclude an on-going process of law revision, especially when you have regard to the form of the reprint that is being adopted. I understand, of course, the distinction between a substantive revision of major laws that may have been on the statute book for many years and a revision in the less strict sense of the word. I would not like to leave the Second Reading of the Bill on the basis of understating the amount of work which will be done by the Commissioner and by my Chambers helping him in bringing the laws up-to-date. I have mentioned that as the occasion arises we would bring Bills to the House if we see points which need substantive review and indeed I can say at once that the Commissioner himself has already identified a number of points and we will be bringing Bills to the House on these points after they have been cleared by the Government. The process of editing itself, while it is not the same as revision in the strict legal sense of the word, the process of editing itself should make the law much more presentable and much more readable because laws are evolved empirically or pragmatically over the years and it is not a reflection on anybody really, that the longer that time goes on the more lack of order you may get so that the very process of editing itself will resolve and simplify presentation. Again I can say that the Commissioner has already made certain proposals in this respect and I can think of one particular set of subsidiary legislation which I prefer not to mention because it will have to be referred to Government where

he has said: "Can this be referred to the departments concerned?" which I will do, and: "Can we combine these regulations into one to make them more presentable or readable?" so that process is going on. As I have just indicated, we do have it in mind to consult departments that are affected and of course, the Bar's views will be very welcome and I think views generally are welcome on this sort of exercise. I don't think it is really practicable and certainly if one accepts that the immediate objective is to get a consolidated statement of the laws of Gibraltar out to the public, I don't think it is really practicable to go on within the time frame we are working towards, to undertake a major revision of the substance of the law in that period of time. The point was made that we hoped that the reprint would be stated in as plain language as possible and indeed the Bill itself provides for the Commissioner to have powers to modernise language. I would only add that anybody who had had the advantage of submitting to the judgement of the Commissioner in particular cases will be aware that he is a man who is something of a master of plain language. Finally, the point was made, and this is a very important point I think, I know I have referred to it several times already myself, but it is important that the law should be available, I think this is a very important matter. I can confirm that a set of the statute laws does seem to be kept at the John Mackintosh Hall Library although I don't think the judiciary would welcome a rush to the Court to look at it and in fact I believe one of the purposes of having a set available in the judiciary apart from the fact that the judges themselves would wish to look at it, is so that there is somewhere an authoritative statement of the laws of Gibraltar. This really is another reason why it is important to get the reprint done as quickly as possible because I know that actual sets of the law are in short demand and I think this is a very important reason why we should go for a reprint now and get it done as quickly as possible so that more copies will be available for the public. Sir, 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 ATTORNEY GENERAL:

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

#### THE DEVELOPMENT AID (AMENDMENT) ORDINANCE, 1981

#### HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Development Aid Ordinance, 1981 (no 15 of 1981) be read a first time.

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

#### SECOND READING.

#### HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill be now read a second time. After the Development Aid Bill, 1981, had been published and whilst it was still before the House, an application was received by the Treasury for the transfer of a Development Aid licence under the then existing Development Aid Ordinance. This was referred to the law officers and we were advised that there was no provision in that Ordinance to authorise the transfer of licences. Furthermore, the Bill then before the House made no specific provision for the transfer of licences. The Government was therefore faced with the alternative of either amending the Bill before the House in Committee or of introducing an amending Bill at a later date. After consultation with the Attorney General it was considered that it would be wiser to examine the problem in detail and to introduce an amending Bill later rather than make hasty amendments at the committee stage.

An examination of the drafting instructions for the Development Aid Ordinance (Cap 144) has thrown up no indication that transfers of licences were originally contemplated. Similarly, there is no indication that the draughtsman of the Ordinance ever contemplated that licences would be transferable. We have also examined the papers that show that the practice of allowing transfers grew up following an administrative decision in 1973. In practice, the transfer of licences has not given rise to any administrative problems either in the Income Tax Department or in the office of the Surveyor and Planning Secretary. The transferee takes over the balance of the amount qualifying for relief from income tax as well as the unexpired period qualifying for relief from the payment of rates. In effect, the Government has not conceded any additional benefits by such transfers.

As a matter of policy the Government wishes to encourage private development which would be reluctant to commission projects in Gibraltar if there was no provision for the transfer of the Development Aid licence.

If transfers are to be permitted, it is clearly necessary to define the respective rights of the transferors and the transferees to tax relief, i.e. there is a need for express provisions as to the apportionment of the capital expenditure incurred on the project as between the two of them in order to assess the limits of their respective entitlements. Similarly, it is necessary to make provision for the conditions on which the transfers might be made. The Bill now before the House empowers the Minister responsible to authorise the

transfer of development aid licences from the licensee to another person subject to the submission of such information as the Minister might require if the application were being made de novo for an original licence and also to such conditions as the Minister may think fit. The transferee will only succeed to the outstanding benefits under the licence so that the Bill will confer no benefits that in aggregate exceed the benefits provided in the original licence. Finally, Sir, the Bill validates transfers made under the earlier Development Aid Ordinance (Cap 144). There were nine such transfers. To date no transfers have been approved under the new Ordinance so that no provision validating any such transfers under that Ordinance is necessary. 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? I will then put the question which is that a Bill for an Ordinance to amend the Development Aid Ordinance 1981 (No 13 of 1981) be read a second time. Those in favour, those against, carried.

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.

This was agreed to.

#### THE SUPPLEMENTARY APPROPRIATION (1981-82) (NO.2) ORDINANCE, 1981

#### HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill for an Ordinance to appropriate further sums of money to the service of the year ending with the 31st day of March, 1982, be read a first time.

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

#### SECOND READING.

#### HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill be now read a second time. The Bill seeks to appropriate, in accordance with Section 65(3) of the Constitution, a further sum of £89,983 out of the Consolidated Fund. The purposes for which this sum is required are set out in Part I of the Schedule to the Bill and are detailed in the Consolidated Fund Schedule

of Supplementary Estimates (No 2 of 1981-82) which I tabled at the commencement of this meeting. The Bill also seeks to appropriate, in accordance with Section 27 of the Public Finance (Control and Audit) Ordinance, the sum of \$1,542,561 from the Improvement and Development Fund. The purposes for which this amount are required are set out in Part II of the Schedule to the Bill and are detailed in the Improvement and Development Fund Schedule of Supplementary Estimates (No 2 of 1981-82) which I tabled at the commencement of this meeting. Somewhat more than \$1 million of the funds required under the Improvement and Development Fund are a revote to meet the 15% down payment on the new power station at No 5 jetty. I think, Sir, that Honourable Members may remember that during the budget debate, I did mention that it had not proved possible to complete the agreement for the new power station by the 1st of April, and that the sum of some \$1m which had been included in the Estimates last year for the down payment, would have to be brought forward into this year. This project is being financed mainly from export credit guarantee funds and one of the requirements of this funding is that a 15% down payment is required on the signature of the contract and the contract was not signed until the first week of April. \$320,000 of the total amount sought under the Improvement and Development Fund is for the cost of purchasing the present Ice Box and Honourable Members may recall that in the detailed statement on the Port Study which my Honourable Friend the Minister for Economic Development of the Port made at the last meeting, he mentioned the Government's intention to purchase the present Ice Box. Sir, I would like to give notice at this stage of the Bill of the Government's intention to move an amendment at the Committee Stage to increase provision under Head 104 - Miscellaneous Projects by \$100,000. That is to increase the provision for restoration of communications with Spain from \$50,000 to \$150,000. This change has been occasioned by the return of land no longer required for defence purposes at the North Front which can now be used for parking and as a vehicle holding area. Mr Speaker, Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Mr Speaker, I think we have dealt with this in previous occasions. We do not really debate the second reading of this and when we get to Committee Stage we will be able to talk in some detail on the matters which the Financial and Development Secretary has raised and I wouldn't wish that our silence at this stage should be interpreted as acquiescence to everything he has said.

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.

#### 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.

- (1) The Post Office (Amendment) Bill, 1981.
- (2) The Elderly Persons (Non-Contributory) Pensions (Amendment) Bill, 1981.
- (3) The Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment) Bill, 1981.
- (4) The Public Health (Amendment) (No 3) Bill, 1981.
- (5) The Criminal Offences (Amendment) Bill, 1981.
- (6) The Development Aid (Amendment) Bill, 1981.
- (7) The Supplementary Appropriation (1981-82) (No 2) Bill, 1981.

This was agreed to and the House resolved itself into Committee.

#### THE POST OFFICE (AMENDMENT) BILL, 1981.

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 ELDERLY PERSONS (NON-CONTRIBUTORY) PENSIONS (AMENDMENT) BILL, 1981.

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

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

MR SPEAKER:

Perhaps we might seek the advice of the Attorney-General. Is it in order to amend an Ordinance through an addition of a clause to an Ordinance which has nothing to do with it. I think one would have to bring an amendment to the Income Tax Ordinance.

HON P J ISOLA:

Mr Chairman, that is exactly the same amendment I moved last year. I moved it here in this Bill in November the 14th, 1980.

I have taken my amendment straight from the amendment of last year. I know it is not good legislating but I am only following the practice that has been carried out by successive Attorneys-General in this House.

MR SPEAKER:

Other Attorneys-General have had Miscellaneous Amendment Ordinances where they deal with amendments to different Ordinances. That is another matter.

HON ATTORNEY-GENERAL:

Mr Chairman, I am not aware myself of an absolute rule against inter-mixing. It is not normally a desirable practice. I must say myself in drafting laws I have found that you may be dealing with a certain subject and it is only convenient but also I think not wrong at the end of the Bill to have an amendment to another Bill. It is a question of degree, I think, at the stage where it becomes so substantive really as to detract from the scheme of the Bill before the House, I think as a matter of practice that may be the guideline.

HON P J ISOLA:

I move it here because I think it is very much essentially part of the Bill because we are talking of whether the amount that is paid is paid net of income tax or not. It makes a difference of, say, £2 or £3 on the main purpose of the Bill which is to give people more money or a certain class of people more money.

MR SPEAKER:

May I confirm that you most certainly did move this amendment last year and that we have accepted the practice?

HON P J ISOLA:

Unfortunately this will happen every year. Perhaps, Mr Speaker, this may be the last time I have to move it because it maybe that the Government will accept the amendment. I move the amendment standing in my name for the addition of a new clause to be numbered subclause (3) to read as follows:- "Section 2 of the Income Tax Ordinance is amended by the addition of the following words at the end of the definition of "Pension" therein contained: "or the Elderly Persons Non-Contributory Pensions Ordinance. "Under the definition of "Pension" in section 2 of the Income Tax Ordinance, Mr Speaker, are the Social Insurance Pension and the other one, if I may call it the retirement pension, it has got a much lengthier name, the pension under the Non-Contributory Social Insurance Benefit and Unemployment Insurance Ordinance. The purpose of this amendment is to add this particular Ordinance to those two and of course the effect of doing that is that the

increased pension of £12.50 will then be paid over to the elderly persons free of tax and thus put the persons in receipt of the Elderly Persons Pension, put them in exactly the same position as those persons who receive the other two State pensions, i.e. Social Insurance Old Age Pension and the Retirement Pension. I argued this matter, Mr Speaker, in the Second Reading of the Bill so I do not think I have to say anything further. I think the Members on both sides of the House are fully aware of the argument and I accordingly comment the amendment to the House.

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

HON CHIEF MINISTER:

Sir, I do not propose to discuss the matter but I would like to say, as a matter of principle, I am going to reserve the position of the Government until a more detailed study can be made of this situation. The fact that it was done last year or done this year may or may not be relevant. I am attempting to try not to allow it but I must say that I may be prepared to argue next year that this is wrong.

MR SPEAKER:

May I say that I am allowing this due to the fact that we did it last year and therefore we have established a precedent. When I refer to Erskine May and to the rules of practice, if I come to the conclusion that it is against parliamentary practice I will most certainly bring it to the notice of the House so that we know where we stand on the matter but I think I am entitled to make an interim ruling.

HON CHIEF MINISTER:

Mr Speaker, because we could well have accepted an amendment and had we been minded to object to it we would have given notice to the other side, I accept that, but I do not want to be told next year that we have had it for two years and now we must have it three years.

HON P J ISOLA:

All I can say to this is that my present practice has been only to introduce it at the November session when the benefits are increased but perhaps I should do it twice a year, when the Finance Bill comes before the House in April, I shall do it then as well just to preserve the position.

MR SPEAKER:

If there are no other contributions I will ask the Hon Leader of the Opposition to reply.

HON P J ISOLA:

This is the essence of democracy, Mr Speaker, no argument, you just use the vote. I am sorry the Government are just sulking but there is nothing else I have to say. I have nothing to reply to.

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

Hon J Bossano  
Hon A J Haynes  
Hon P J Isola  
Hon A T Lodd  
Hon Major R J Peliza  
Hon W T Scott

The following Hon Members voted against:-

Hon I Abecasis  
Hon A J Canepa  
Hon Major F J Dellipiani  
Hon M K Featherstone  
Hon Sir Joshua Hassan  
Hon J B Perez  
Hon Dr R G Valarino  
Hon D Hull  
Hon R G Wallace

The following Hon Members were absent from the Chamber:-

Hon G T Restano  
Hon H J Zammitt

The amendment was accordingly defeated.

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

THE NON-CONTRIBUTORY SOCIAL INSURANCE BENEFIT AND UNEMPLOYMENT INSURANCE (AMENDMENT) BILL, 1981.

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 PUBLIC HEALTH (AMENDMENT) (NO 3) BILL, 1981

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

Clause 2

HON A J HAYNES:

Under Clause 2, Section 68A, will the Minister for Medical and Health Services inform us whether Government will seek to bring

a ruling under Section 68A before using the procedure empowering it under Section 68B to give warning of its intentions. Is the practice going to be that first of all the offending person or occupant will be fined and that thereafter he will be given a notice to remove the debris or is the procedure going to be that the notice will precede the fine.

HON J B PEREZ:

The Government's position on this matter is that in fact Government will give notice to the owner or occupier and give the owner or occupier the advantage or opportunity to remove the accumulation before we invoke the particular legislation but without this particular clause Government did not have the power to actually do so. The intention is not to fine people, the intention behind this particular clause is to give people the opportunity to remove the accumulation. However, if they fail to do so then obviously, we will have to take action.

HON A J HAYNES:

The time factors involved in the individual that has been put on notice which he may offer to Government as a reasonable time, is there no standard for a reasonable time?

HON J B PEREZ:

This obviously depends on the type of accumulation that one is talking about. I can give an assurance that we will look at the whole thing on a reasonable basis. The Environmental Health Department acts on a reasonable basis in most matters concerning public health and obviously that is an assurance that I can give as Minister responsible for the Department.

HON A J HAYNES:

Can I get confirmation that the notice does not of itself carry any cost to the occupier or other offender provided that he acts on the notice

HON J B PEREZ:

That is correct, Mr Chairman.

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

Clauses 3 and 4 were agreed to and stood part of the Bill.

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

THE CRIMINAL OFFENCES (AMENDMENT) BILL, 1981

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 DEVELOPMENT AID (AMENDMENT) BILL, 1981

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

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

THE SUPPLEMENTARY APPROPRIATION (1981-82)(NO 2) BILL, 1981

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

Schedule

Schedule of Supplementary Estimates Consolidated Fund (No 2 of 1981/82).

Item 1, Head 5, Fire Services was agreed to.

Item 2, Head 10, Judicial, was agreed to.

Item 3, Head 12, Lands and Surveys.

HON W T SCOTT:

I take it that this is in relation to the statement made earlier on in the meeting by the Hon Minister?

HON M K FEATHERSTONE:

This is the cost of upgrading the Gravediggers from Band 6 to Band 10.

Item 3, Head 12, Lands and Surveys, was agreed to.

Item 4, Head 13, Law Officers, was agreed to.

Item 5, Head 15, Police.

HON P J ISOLA:

On this Contribution to Police Reward Fund. Could I ask if this is the usual procedure?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is not an unusual procedure, Mr Chairman. I have come across it on a number of occasions where the Police do a good job of work and part of a reward is paid to them in this manner.

Item 5, Head 15 - Police, was agreed to.

Item 6, Head 16, Port.

HON P J ISOLA:

What brought about the need to spend these funds. In what way did the Government require advice?

HON ATTORNEY GENERAL:

The way this came about was as follows. As the Honourable and Learned Leader of the Opposition knows there are conventional and unconventional ferry services across the Straits and the Government had occasion to consider the requirements governing these services and for that purpose we thought it necessary to bring down a nautical surveyor from the Department of Trade and Industry in London to advise and he came down and spent some days. I think this was a valuable visit and we maintain liaison with him over nautical matters in respect of ferries across the Straits.

Item 6, Head 16 - Port, was agreed to.

Item 7, Head 18 - Prison.

HON W T SCOTT:

Can I ask, Mr Chairman, whether this was in fact the subject of a tender?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I would need notice of that question. I shall check it and let the Hon Member know. If it is below a certain amount no tender is necessary and a direct contract will be awarded.

Item 7, Head 18 - Prison, was agreed to.

Item 8, Head 20 - Public Works Annually Recurrent.

HON A T LODDO:

Could I ask whether all the banners and bunting that were used for the Royal Visit were recovered? Have there been any unaccountable losses?

HON M K FEATHERSTONE:

The majority were recovered but there were unfortunately some losses, some people took away flags from various places.

HON A T LODDO:

Has the Minister any idea how much that amounted to out of the £3,800?

HON M K FEATHERSTONE:

Only about £100.

HON A J HAYNES:

How much of the bunting actually displayed was out of stock and therefore not included in this sum? What percentage of the bunting used was old stock?

HON M K FEATHERSTONE:

I think we had in stock bunting to the value of some £2,000 and we purchased the extra that was needed. Most of the extra was flags.

HON A J HAYNES:

Can the Minister say how this bunting has been stored and is it likely to last for a considerable period of time or not?

HON M K FEATHERSTONE:

Yes, it has been very carefully stored and we would hope to use it on another joyous occasion in the future.

HON W T SCOTT:

I think initially we ought to congratulate the staff of the Public Works Department for having erected it with the rapidity that they did. I see no element of labour within the £3,800, I presume that figure is just obviously the cost of the material?

HON M K FEATHERSTONE:

That is right, the labour has been provided out of our normal recurrent votes. I am very grateful for the kind words the Hon Member said and I did at the time pass the congratulations of the Government and the rest of the House to the Public Works Department employees.

Item 8, Head 20 - Public Works Annually Recurrent, was agreed to.

Item 9, Head 22, Secretariat.

HON J BOSSANO:

I am abstaining on this item because I think it is most inappropriate that the gun should have been placed where it was placed outside the Health Centre.

MR SPEAKER:

You do not have to give reasons as to why you abstain or vote against.

HON J BOSSANO:

But I do not want anybody to think that I am against the Royal Artillery because I am not.

HON A J HAYNES:

Can we have more information on this history of Gibraltar's population during the war years and the reason for commissioning such a history and its intended purpose?

HON CHIEF MINISTER:

Mr Speaker, some time ago we had the visit here, this originated the matter, of the first former Auditor of Gibraltar and subsequently the first Welfare Officer, a man called Mr Ewan Hughes. He just visited Gibraltar and informed us that he had been carrying out at the request of the Singapore Government, research at grass roots level of memories and individual accounts of the Japanese occupation of Singapore and subsequently to supply the material for a history to be written. He gave us the idea about something which had been in our minds and that is that we should have material to provide for the archives a history of the evacuation and the experience of those who remained behind in Gibraltar. This could be done by school sixth formers mainly and I think I saw the other day one particular enquiry which had been answered by my colleague on my left about his experiences during the war, what he remembered, etc. This was on a general basis and he did not suggest that he should be paid any fees and in fact I do not think warrants any fee, he was quite prepared to help us. He did help us originally in the form that the enquiry should take and I think it is being done through the Department of Education where Sixth Formers are making enquiries of people and helping people, particularly those who may not be in a position to do it. One Education Officer and one Graduate Teacher are paving the way in doing this and other schoolboys, sixth formers some of them, are helping those who are not literate enough to be able to describe their experiences and their memories of the evacuation and subsequent repatriation. I think it is a vote which is required for General Expenses. This is the idea, that we should have material collected at really grass roots level of the experiences of people. I am sorry I have not got a form here but I will send Hon Members a form and they might even be able to fill some of it because some of them may be old enough to be able to help us in this respect and to be able to gather information and this is done then a little more scientifically when all the material is gathered and then you write a general account of the experiences of people.

HON A J HAYNES:

Will there be more money needed for this project? Is it Dr Hughes who will be writing the book and, lastly, is it going to be published in a manner or with the aim of recouping those expenses.

HON CHIEF MINISTER:

As it will be noted here it will be a token provision to meet the expenses, as I said, including the visit of Dr Hughes. No there is no idea yet what it will be, we are certainly not throwing money away easily but we are making a token provision for a couple of visits over a period of a year, perhaps, and to see what the response is. Until we know what the response is it will not be possible to know exactly what can be made of it but I think we have the opportunity and the voluntary services of somebody with considerable experience. In fact, he has gone back to finish the job he is doing in Singapore and he has offered for the sake of his old relationship with Gibraltar to come and help us do it ourselves so that there is no question of any profit motive on his part. Whether the material that is gathered is worth publishing, that is a matter that will be considered when the report is forthcoming and I shall be happy to give all information possible, to Members. Of course, as he was saying, time is running short because the Evacuation was started in 1940 and it is 41 years ago so that is something that unless we do it now time will take it away to the benefit of the gravediggers whom we have upbanded recently.

Item 9. Head 22 - Secretariat, was agreed to.

Item 10. Head 24. Tourist Office.

HON MAJOR F J PELIZA:

I wonder if the Minister could explain what the increased activities by the Tourist Office Public Relations Consultants consisted of?

HON J B PEREZ:

The explanation is that arising from the Seminar, one of the things I am told that was agreed was that we should take more time from the Consultants. This is something which I think the Hon Member himself has been advocating for some time. The position is that the Government buys time from these Consultants. For example, they say: "If we spend ten hours a week on Gibraltar you pay so much," and this is as a result of increased activity an increased amount of time which the Consultants will be spending on Gibraltar, as such, to help our tourist industry but as I said it has arisen directly from the Trade Seminar which was held in Gibraltar. It is increased use of the Consultants.

HON MAJOR R J PELIZA:

Does the Minister mean that this is what we pay the Consultants for coming to Gibraltar to attend this Seminar?

HON J B PEREZ:

No.

HON MAJOR R J PELIZA:

It is increased time they have given us?

HON J B PEREZ:

Yes.

HON MAJOR R J PELIZA:

I am not asking for it now because perhaps other Members are not interested but I would like to know, if the Minister would be kind enough to give me, in detail, what it is that the Consultants are consulted about?

HON J B PEREZ:

Yes, I will give the Honourable Member the information that he has requested.

HON MAJOR R J PELIZA:

On Advertising of Field Sales, could the Minister give some information?

HON J B PEREZ:

I thought the answer that I gave before applied to the three items. The answer that I gave the Honourable Member was in fact precisely not only under Entertainment and Travel but also for Advertising and Field Sales.

HON MAJOR R J PELIZA:

What you said is that you were going to give me a breakdown of all this when you explain to me what it is all about.

HON J B PEREZ:

I thought that the explanation I gave you was clear but since the Honourable Member requested specific information I said I would let him have it.

Item 10. Head 24 - Tourist Office, was agreed to.

Item 11. Head 26, Treasury.

HON W T SCOTT:

On G.B.C. colour television. May I ask the Government the nature of the commitment referred to under this particular revote?

HON CHIEF MINISTER:

This is in connection with the transfer of the Radio Studios to Mercury House. There had been a saving the previous year, but it was found later that the Radio Studios were not sufficiently sound-proof to ensure good broadcasting and considerable changes had to be made to the structure of the building in order to be able to instal the Radio Station, that is why it took longer to leave from Wellington Front. In fact, it may be recalled that television was in Mercury House for quite a while before radio was finally transferred there.

HON W T SCOTT:

Could the Government say whether contained within this £30,000 is the element of broadcast from the FM waveband?

HON CHIEF MINISTER:

I could not say but it is likely I will get that information before the meeting is over.

Item 11. Head 26 - Treasury, was agreed to.

Schedule of Supplementary Estimates Consolidated Fund (No 2 of 1981/82) was agreed to.

Schedule of Supplementary Estimates Improvement and Development Fund (No 2 of 1981/82).

Item 1. Head 101. Housing.

HON W T SCOTT:

Mr Chairman, we see here from the remarks that other than the £108,000 asked for as supplementary provision, there is also an extra £145,000 amounting to just in excess of £.25m. Can the Minister say, in fact, whether also added to this would be certain elements of increased costs both in labour and materials within this project, what figure he now has available per unit in this modernisation project in relation to the figure that was available at tender time?

HON M K FEATHERSTONE:

Sir, at tender time the original plan was that some 22 flats altogether were going to be modernised in Phases I and II, or I and IA. However, when work commenced and after a number of investigations were done, it was found that some of the buildings were in such a bad state of repair they could not be modernised at all, they had to be completely demolished and new buildings actually built so that the final result is going to be a number of new buildings and a number of modernised buildings. I think the overall cost, on average, is something about £35,000 but I cannot say exactly how it is apportioned between the new and the modernised.

HON W T SCOTT:

But, in fact, the section of the project that had to be demolished to make way for new building, was any thought given by Government to increase the number of homes within that particular demolished building that had originally been planned?

HON M K FEATHERSTONE:

Yes, I think that what was demolished was two flats and four are being built instead.

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

Item 2. Head 104. Miscellaneous Projects.

HON CHIEF MINISTER:

Mr Speaker, I would like to draw attention to Item 2 at the top of page 2 and say that though I do not have any direct professional interest, I think I should declare, perhaps, an indirect possible interest. I have had nothing to do with any of the negotiations and in fact I have a certain view on the matter but I would like to record by abstention completely on this item.

HON W T SCOTT:

Head 2, Subhead 4, Transfer of Stores and Depots to Ragged Staff. The slippage in the motor vehicle examination facilities project, what was that due to?

HON M K FEATHERSTONE:

This has been due to a number of changes in design partly because it is in an area which is dominated by the Royal Navy Aerial Farm and we have had to make one or two changes in design, especially with the height of the building, which has put back the actual designing and the possible starting of work by a number of months. Therefore, the £36,000 is money which will not be spent this year, it will be spent in subsequent years.

HON W T SCOTT:

Yes, but the cost of re-building it somewhere else, of course.

HON M K FEATHERSTONE:

No, the intention is to rebuild it where it always was going to be rebuilt, at the Slaughterhouse. It has not been started yet.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, Members of the House might find it helpful if I gave some indication of the reasons why the Government is seeking financial provision for this project i.e., the Resiting of the Ice Box. The genesis of the proposal is to be found in the Gibraltar Port Study where it was stated that the area occupied by the Ice Box Store would be better utilised for the handling of transit cargo and that the basic structure of the newly-erected shed could be adapted for the use as a transit shed with the demolition of only the existing interior of the store. The Report suggested that the reprovisioning of the Store elsewhere would cost in the order of £200,000 for the building alone but for that investment the Port would acquire the use of an additional shed with an area of 1,050 sq. metres, regain the full use of the deep-water berth due west and due east and remove the non-Port traffic along the North Mole and Western Arm generated by the business. The consultants' figure of £200,000 for reprovisioning was based on a unit rate of £190 per sq metre to allow for the provision of a new building of an area equal to the extended Ice Box. Following consideration of the Consultants' Report, the Government agreed, in principle, that the Ice Box should not be in the Port and that it was essential for the efficient operation of the Port that the Ice Box should be moved. My colleague, the Minister for Economic Development and Trade, made reference to this in the comprehensive statement he made to the House on the Port Study in July 1981. But, Sir, of equal, if not greater importance than the operation of the Port was the fact that the Government was faced with the cost of renovating the Bonded Stores at Waterport Wharf. The steel structure and corrugated steel sheets are badly corroded and the wooden floor has been affected by termites. If this building is to continue in use a major renovation programme would be necessary. This would need to include the destruction of the termites. The estimated cost of the work, including exterminating the termites, is of the order of £350,000. Furthermore, and this is very important, the store occupies a prime site which in the City Plan is earmarked for development as a marina. The purchase of the Ice Box would enable the Government to move the Waterport Wharf Customs Bonded Stores to the present Ice Box building on the Western Arm and release for early development a prime commercial site at the Waterport which at the moment is totally underutilised. The owner of the Ice Box in discussion with the Government pointed out that the new site proposed for the Ice Box is much less advantageous than the present site in that the goods can be moved straight into and out of the Ice Box from the berths. The proposed new site is well away from the Port, being at the end of Devil's Tower Road, and is exposed to the Levanter. The price of £320,000 which the Government negotiated with the owner is based on an up-to-date unit rate for a new building of this type of construction. A similar building is the Motor Testing Centre which the Government proposes to build at the old Slaughter House site. The

cost of this building is £300 per square metre and if one takes the Ice Box as an area of 1,050 square metres at £300 per square metre, the cost is some £315,000. However, it was possible to check the building cost valuation by reference to the investment value of the leasehold interest of the Ice Box. We had a lease of some 20 years at the present site and on that basis the valuation of the building is some £325,000. In effect, Mr Chairman, what the Government proposes is that we should move a commercial facility on the Waterport which is blocking development of the Port, move into that building the Customs Bonded Stores from the Waterport which in any event would have to be renovated at a cost greater than we are proposing to pay for the Ice Box and thus release for early development a prime site which is totally under-utilised.

HON P J ISOLA:

Mr Speaker, I am very puzzled by this statement because unfortunately as I said when I started we were at a disadvantage in the sense that I got my copy of the Port Study Report just before I left for the United Kingdom and since I have come back we have had all these matters to worry about and deal with. I have not been able to read it at all so we do not really know first hand what the Port Study Group recommended. The statement of the Financial and Development Secretary already, as I see it, goes against the Port Study Group Report which from what has been said and from what I recall was suggesting that this particular building should be used for both berths on either side for transit cargo and I notice that the Honourable Financial and Development Secretary on the Government is now proposing to move Bonded Stores to that building. I do not know whether the Port Study people recommended the moving of Bonded Stores away but if they did not then we are already varying from the recommendations which we have not read and we are at a disadvantage and I would like the Honourable Financial and Development Secretary to consider leaving this particular item for another meeting of the House because, Mr Speaker, it does raise some very serious problems on our side of the House because of the facts as they have evolved. I would like to remind the House that I think it was some time in 1980, this side of the House questioned the Government as to rumours, if I may put it that way, that it had heard that the Government was disposing of land or increasing disposition of land in the Port area, and I think one of them was to do with the Algeciras ferry, where it was, the other one was, I think, the Ice Box, when it had already commissioned the Port Development Study and we questioned the wisdom of the Government dealing with land. I think, if I remember rightly, we did get a reply saying that as far as this particular entity was concerned, the Ice Box, this was in 1980, the previous Minister for Economic Development had committed himself to give extended space to the Ice Box. We queried the wisdom of that but we were told that it was part of the Government commitment and that was it. We still query that and we would like to hear more about it now in view of the

fact that it is going to cost us £320,000, this particular extension due to a commitment. The sort of questions that come up to my mind, Mr Speaker, are these. If the Government were giving this extended area to the Ice Box, did they tell them or should they have told them or should they not have told them that there was a Port Development Study .....

HON A J CANEPA:

If the Honourable Member will give way. We are in Committee and it will save a great deal of time if I can clear up the dates on the matter because he has got the dates wrong. The Port Study was commissioned in March 1980, after the General Election. The Company applied for the allocation of an area of land adjoining their premises, in other words, the extension, in 1978 and the Government agreed in principle to the allocation of the land in April, 1979, so when I was referring in the House, in answer to questions by the Honourable Leader of the Opposition to the commitment which my predecessor had entered into, that is what I was referring to, the fact that it was in April, 1979, nearly a year before the Government commissioned the Port Study that the Government had entered into this commitment to give the extension to the Ice Box.

HON P J ISOLA:

I am grateful to the Minister, I know that, but what I also, know and this is the point I am trying to make, is that when the Government commissioned the Port Study Report the extension had not yet started, the extension to the Ice Box was actually physically built during the summer of 1980 and what I am asking now is ought not the Government to have told the Ice Box as soon as they commissioned the Port Study that they had consultants who were doing an in-depth study of the port, that they knew it was very much an in-depth study of the Port which could affect their particular premises, so even though they had given them an extension they should not carry out building works etc. till the Government found out what the recommendations of the Consultants were. I think this was a grave error on the part of the Government not to have done that and perhaps they would tell us why they did not that because there were the Port Study Group doing a study of the Port and at the same time there were a commercial firm extending the building and, incidentally, Mr Speaker, quite substantially. We were told in this House it was a small extension but anybody who knows what the old Ice Box was and the new one is will know that it was not a small extension, it almost doubled the area.

HON A J CANEPA:

Who said it was a small extension?

HON P J ISOLA:

When the question was asked in the House.

HON A J CANEPA:

Not by me.

HON P J ISOLA:

I will find out who said it. I remember going past on a pleasure boat during that summer and looking at the building and saying what a big building it was and I remembered being told in the House this was a small extension and the total area going up and out I think must have doubled the area of that store and I think that was a grave error on the part of the Government especially having commissioned a Study that cost us £100,000. That is one point I would like to make. The other point is this, and that is why I was hoping the Government would agree to defer this item because we have had since the Port Development Study was made and it was made on certain assumptions, and one of the assumptions was that the Dockyard would continue, unfortunately, the Defence Review came in afterwards and one of the assumptions on that report on what should be done in the Port area was that the Dockyard would continue to work in its present form. I have not read the report and I have not been able to link that or their reasons for saying this. But it seems to me that we now have another report, as the House will be aware, I think there was a press release on it, in relation to the Dockyard position, the Defence Review. Again, Mr Speaker, another very voluminous report. I do not know whether the Government has done any exercise yet, I am sure it cannot have done because the report, I believe, was delivered on 20 February of comparing the two reports, comparing whether recommendations are effected by others, in a week.

HON A J CANEPA:

Of course we have.

HON P J ISOLA:

You have done it in a week, the Minister has read the Defence Review, he has read everything.

HON A J CANEPA:

And if the Honourable Member were to be in Government he would have to work a darned sight harder at his politics than he seems to be working because it is a very poor excuse to say that he had to go off to the United Kingdom and could not read the Port Study Report.

HON P J ISOLA:

Unless the Minister would like me to take confidential stuff with me on the plane. I believe it is contrary to the Government regulations to carry confidential material with you.

Perhaps the Minister who is so knowledgeable in these matters would confirm that to be the position.

HON A J CANEPA:

Mr Speaker, when the Government received the report I was being pressed by the Honourable Leader of the Opposition very hard for the Government to take a decision on the matter. I shall say another thing to the Honourable Leader of the Opposition. What does he have a shadow Minister for the Port for? Why couldn't he leave that report behind for the shadow Minister of the Port to read the report and to be ready for this meeting of the House?

HON P J ISOLA:

I shall tell the Minister. Because I had to give certain undertakings in relation to that report in writing to the Chief Minister and I have not let that report go until I have given those undertakings so that I can give it to my colleague the undertaking on the matter so that he can be clear on the matter and I got it because it was only two days before I left that I was told the sensitive matters in the report and I went to the office of the Administrative Secretary two days before I left and I read all the pages in the Port Study Report that were considered to be sensitive by the Government and obviously before agreeing them I had to read them and having read them I agreed them.

HON A J CANEPA:

I can tell the Honourable Member categorically that there is nothing in the Consultant's document on the Defence Review which has a direct bearing on this issue.

HON P J ISOLA:

I prefer to see that for myself, Mr Speaker.

HON A J CANEPA:

Then it is a matter for us, Mr Speaker, to judge whether the item is going to be deferred or not.

HON P J ISOLA:

Of course it is a matter for the Minister to decide, if the Government wants to pass the vote let them pass it. That happens on every occasion. I am only asking it as a matter of courtesy because we have not been able to read these reports. I got the Gibraltar Dockyard Study in confidence yesterday.

HON CHIEF MINISTER:

If I may say so, because according to my information you said that because the Leader of the Opposition and the Deputy were away it should not be delivered.

HON P J ISOLA:

No, Mr Speaker, the Honourable and Learned the Chief Minister is wrong. It was suggested to me by the Deputy Governor that as this committee was an on-going committee, he would not like to part with the Gibraltar Dockyard Study to anybody other than myself or my Deputy Leader. I did not suggest it, it was put to me and I agreed and I will go further, Mr Speaker, I got a telex from the Deputy Governor telling me that the report was at The Convent for collection by me. This was done and I agreed, it was a perfectly reasonable thing to suggest and to accept. I am not told when a report is going to be ready, I am not told when a meeting is going to be held. In fact, a meeting was held of this Committee I believe on the 19th after I had been told no meeting was going to be held for some time after the report had been delivered. A meeting was held on the 19th and notice was given about two days before and I had already left Gibraltar. But whatever the situation may be, Mr Speaker, I think being asked to vote £320,000 to put right what is in my view a monumental error on the part of the Government and to be asked to vote that money without being able to study the report in question, is asking too much of the Opposition. I am trying to keep this on a low key but if on top of that we are going to be attacked for not agreeing to this, then I think we must speak more bluntly than we might otherwise have spoken. The other point that I would like to mention is that the Financial and Development Secretary has talked about the effects of the Levanter in the new site. Doesn't the Levanter affect the existing site? That has the ravages of the sea on both sides all the time. I cannot think for one moment that moving the Ice Box, from that point of view, from the North Mole to wherever it is going in the Industrial Area is a disadvantage for the developer or whoever did it, I cannot believe that. I can believe that it is inconvenient for the Ice Box to move because it is convenient from the point of view of ships to load but then, Mr Speaker, another question comes to my mind and it is how on earth did the previous Minister for Economic Development agree to give the Ice Box a bigger chunk of valuable port area. How on earth did he agree to do that? He is not here and we cannot bring him here but the Minister for Economic Development was a member of that Government and he must have been privy to the particular decision made.

HON A J CANEPA:

Again, Mr Speaker, he asked a question on the matter and I gave him an answer on that. I do not know whether he has forgotten but I will repeat what the position was. The main

reason which was given by the Company for the request of an area adjoining their then premises, and the Honourable Leader of the Opposition seems to forget very conveniently that we have had the Ice Box there since 1965, not the extension, but there has been an Ice Box since 1965 in the days when he was a member of the Government, in 1965. Perhaps in those days there was no economic planning, I know he was not responsible for the economy, but he was a member of the Government just as he is accusing me of being a member of the Development and Planning Commission. The main reason given for the application was that the conditions of the Cold Stores had deteriorated to such an extent that major works were urgently required in order to comply with the Food Hygiene Regulations. The Company also wished to avail themselves of the opportunity to increase its storage capacity. The possibility of erecting an additional store had had to be discarded as the structure was not sufficiently strong to sustain the additional load. The question of the public health hazard, in fact, worsened between 1978 and 1979 when in April the Government agreed, in principle, to the allocation of the additional land.

HON P J ISOLA:

Yes, Mr Speaker, I remember that answer very well and I appreciate that they had to do repairs. I recall now the Minister telling us what he told us in 1979, the opportunity was being taken to have additional space and my criticism here, this minute when he jumped up to reply, was that I could not understand why additional space had been given to the Ice Box in that area. My criticism at this point of time was not why the space was ever given at all because as he pointed out that is a long time ago and I cannot remember the circumstances then, but I do know that in 1978 or 1979 when the decision was obviously made, there were a lot of calls on the Port area, you had containers starting to come into Gibraltar or threatening to come, put it that way. You had the sand problem, part of the area was being used for sand. In 1965 we did not have these problems, we were beginning to have them of course because that is when the Spanish campaign started and the actual construction of a Cold Storage Chamber at that time was probably put forward as a means of defending Gibraltar against the situation of increasing Spanish restrictions as they were starting then and you needed places for storage so probably the decision was made on perfectly good and valid grounds in 1965. I cannot remember but I can imagine from the date that the Minister has given me that those would have been the considerations then. But, Mr Speaker, I am criticising the decision of 1978/79 when there were a lot of other considerations with regard to the Port, when, clearly, there were so many considerations with regard to the Port that the Government was considering then, and must have started to consider, the need to look at the needs of the Port as a whole, because you do not decide to commission a study in January, you must have thought about it before, and this is the matter

that to me are matters of criticism and, I would say, fair criticism on our part of that decision because I think that a public health hazard could have been gotten over by carrying out the necessary repairs to the existing chambers. I agree that the Government could not know in April 1979 that the Port Development Study which they were going to decide on and which they had not yet decided on was going to recommend what it did, that I agree, but what I question is the wisdom of having given the extra space, that is past history. The Government should have tried by some way or another to stop the developer carrying out the extension that it did when it had already commissioned a Port Development Study and it already had the Study under way. If I can criticise, I think that is a fair point of criticism.

HON A J CANEPA:

I am prepared to take the criticism on my shoulders and the reason is that it is extremely difficult particularly for one Minister of an on-going Government. If there is a change of Government, fair enough, but it is extremely difficult when you take over from one of your colleagues not to honour commitments that have been honourably entered into. It happened with my colleague the Minister for Labour taking over from me or taking over from the Honourable Mr Featherstone when he became Minister for Education and exactly the same in my case. I say that not only with regard to the Ice Box, I say that with regard to Gibraltar Underwater Contractors who were given certain assurances about the seafront at the Bonded Stores by my predecessor and also with regard to Mobil Oil who were also promised an area within the Bonded Stores for their activities having regard to a case that they had made for the uprating of the Port by Mobil Oil. These were commitments perfectly honourably entered into by my predecessor. They were valid commitments as he saw them and it is extremely difficult in all good faith for anybody taking over to run roughshod over them and I honestly felt that I should honour those and stand by them and defend the decision.

HON P J ISOLA:

Mr Speaker, the Minister has got me wrong. I have questioned the wisdom for the allocation in 1979. What I am questioning now is not that the Minister should not have honoured the commitment of a previous Government if it was a legal and honourable commitment and so forth, what I am questioning and saying is that the Government should have told the Ice Box as soon as they commissioned the Port Study, they should have told them: "We know we have given you this piece of land and we know that you are entitled to build on it but we ask you not to proceed because there is a Study that could affect this particular building. Therefore, in the interests of yourselves and ourselves please do not extend." Mr Speaker, what would be the position if the Ice Box turned to the Government and said that unless the Government paid £320,000 they were staying there. What would the Government do?

HON A J CANEPA:

I shall tell you. We are going to declare the Port to be a security area as soon as the frontier opens and then we will see how the Ice Box is able to conduct its activities on the same basis as they are now because they are not only wholesaling but retailing, they will have to seriously think about what is going to happen to the retail side of their business. They will only be able to carry on with the wholesale because we will allow and authorise certain people to enter into the Port but not anybody to drive up in a motor car to purchase a few boxes of ice cream. That is what is going to happen. Perhaps the whole thing is academic because I have no doubt that the Government has made a perfectly strong and valid case for our taking over the Ice Box. It is in our interests to do so. We are getting a very good deal out of that. A building that we are going to be able to use for a purpose that we want, an area that is going to become available where the Bonded Stores are now which no one has previously thought of developing. Not even the Port Consultants have thought of developing that area in the way in which my colleague the Financial and Development Secretary has thought. It is his idea that we should have substantial development of that area, a marina, a multi-storey car park you can have there, right on the fringe of town where it is required, the sky is the limit in that place. It is a huge area and having regard to the need in Gibraltar for economic diversification in the future, I think that we have taken the right step, I stand by it regardless of the wisdom of what we did last year or not. Now we are wise to do this, we are doing the right thing and I stand by it.

HON P J ISOLA:

Mr Speaker, I am glad the Minister has said that. In other words, he would do something if the Ice Box turned round and said that the Government either paid them £320,000 or they stayed there. The Government would have done something, obviously, in the public interest but this brings me back to my point that the Government could have told the Ice Box not to continue their development until the Government had the Port Study and if they continued their development after this warning, so be it, they had to take the consequences. Having said all that, Mr Speaker, because this is really all water under the bridge. We are being critical of the way the Government has acted with this particular project but obviously it is there, it has been built and we are not suggesting that the Government puts in its troops in the Ice Box and ejects them, we are not suggesting that at all. What we do suggest, however, Mr Speaker, what we are not convinced on is the question of the price, for example.

MR SPEAKER:

Perhaps, Mr Isola, we could curtail slightly this debate. I think you have made a suggestion that this particular item should be left over for another time. Perhaps we might have the Government's views on that matter.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, unless the sums are voted at this meeting the owner of the Ice Box would not be prepared to sell because they have been holding up development and holding up material in the United Kingdom which is on order for some months to enable the Government to reach a decision on whether or not to purchase and having made that decision to seek funds from the House it would be grossly unfair to expect them to defer the development further. It is costing them quite a lot of money in interest waiting to go ahead with the development. I wonder if I might comment briefly on the discussion so far. First of all, I accept full responsibility for the advice which I have given to the Government on this matter. If it had merely been a question of purchasing the Ice Box to facilitate the running of the Port I would have been very doubtful as to whether the money was worthwhile. However, given the advantages of getting the Customs warehouse away from a prime development site, given that we have got to spend money to renovate it and to get rid of these termites and to get rid of the termites alone is going to cost us £100,000, I considered that, on balance, it was worth buying the Ice Box and transferring the Customs Stores. The Customs Stores is called the Queen's Warehouse, in fact, a tremendous amount of transit work goes on there. Companies have areas allocated to them, containers are unstuffed, material is held there for a period until room can be found in town and then it is moved. That is the activity that would go on at the Ice Box if that were purchased. What I do ask is that leaving aside the water that has gone under this particular bridge, leaving aside whether or not the Government has made mistakes in the past, I am asking Members to look at this objectively and to say it is worth paying this money as a negotiated price. This was not the price that we started off at, it has come down a bit, is it worth spending this money to get the Store to help clear up the Port area, to move Customs, to pay the expenditure on a customs building occupying a prime site, to get that site and to start a development on it which could be somewhat similar to the development at the new marina, including car parking. Is it worth it or is it not? That is really the question which I am asking Honourable Members to address themselves to.

HON P J ISOLA:

Could I just answer that argument quickly because there is one thing that worries me a lot here and that is that this sudden emergence of a new factor - Customs Warehouse moving to where

it is proposed, to the Ice Box. Presumably it is going to cost £320,000 to acquire this site and I dispute the price, we must dispute it, because the consultants have said the cost of re-provisioning the Ice Box should be £200,000 and we are now talking of another £120,000 on top of that, we are not convinced, we cannot be convinced that that is the right price to pay. The other point that worries me is that whilst we have been sitting here I have been flicking through the Port Study Report, Mr Speaker, and the use that I saw there is not the use that is being suggested now by the Financial and Development Secretary. The use that the Financial and Development Secretary is suggesting may well be the best use for it, I would not argue that, but I certainly would like to make an objective judgement having regard to the fact that we have got a Port Study Report, having regard to the fact that we have got a Gibraltar Dockyard Study Report, I do not think we can in conscience, Mr Speaker, at least I cannot, go along with this just as it is being put over without being able to make an objective judgement from reading the very voluminous evidence that we seem to have about this. That is why I was asking for it to be deferred. As for the arguments that we either buy now or we do not get it, that is the sort of argument I do not like to hear because the Government has it within its power to say that they do not buy and make it a security area and you have all the problems that the Minister has said. Frankly, I would take with a pinch of salt the argument that interest is being paid on all this by the developers.

#### HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I would like to make quite clear the last remarks that I made and were then followed by the Honourable and Learned Leader of the Opposition and that was I said that time was against us and that the owner wanted an early decision. I want to make it quite clear that in no way is the owner holding a pistol to our heads and saying: "If we do not give this decision then you will not get it." It is not that at all. It is just that negotiations on this have been protracted and the time has come when they can no longer hang around, it is costing too much money.

#### HON M K FEATHERSTONE:

We have had a very interesting point put across by the Honourable Leader of the Opposition who as usual wants to have his cake and eat it. He commented that when he went out in a pleasure boat some time in 1980, after the Port Study had been commissioned, he saw the building going up and he thought that it would have been better if Government had stopped the building in view of the Port Study. Sir, first of all we have to look at the exact dates. They asked for the extension, in 1978, and they were granted it in April, 1979. I am sure the Honourable Leader of the Opposition has some knowledge of the owners of the Ice Box and he must know they do not sit on their

laurels or on their bottoms and do nothing. It is pretty obvious that as soon as they were given the permission to extend the Ice Box they must have been in negotiation with firms in Britain to get the necessary equipment and I am sure if we had in February 1980 told them that they could not continue with their plans to build the Ice Box, they would have come to us and said they had ordered all the equipment and that we would have to pay for it and I am sure if this had been brought to the knowledge of the Leader of the Opposition he would be the first to have been in this House saying how high-handed of Government to give with one hand and to take away with another. Sir, it has been stated by the Financial and Development Secretary and quite clearly that on current cost to put up a building the size of the Ice Box is around £320,000/£325,000. The consultants have given a figure of £200,000, but consultants are not always right and when the consultants did it, it was about a year ago so that there have been increases in the meantime and the figure of £325,000 is quite a reasonable figure because I have heard a valuation put on the Ice Box which was very considerably higher than that sum so that Government in getting a figure of £320,000 after quite a considerable amount of reasonably hard bargaining, have not done a bad job at all. But the most important thing which I think has got to be taken into consideration is that if we were to leave the Ice Box where it is, we would have to do something about the Bonded Stores and to do that would cost not £320,000, but on today's estimates £350,000 and by the time we get down to doing it, which would probably be another 3 to 6 months, it would probably have gone up to £400,000. We would have found ourselves with a bigger bill to face and we would have found ourselves still using the old Bonded Stores or the old Queen's Stores, as they are known, and not get the benefit of a really prime site for development which is one of the really big features of this scheme. It was a scheme, as the Honourable Member on my right has said, that was thought out by the Financial and Development Secretary and I think it is an excellent scheme. It gives us an area where we can really develop an entry to Gibraltar to get not only a possible multi-storey car park but increased marina area, possibly other commercial development - something which Gibraltar is in urgent need of especially in these days. The comment that the Honourable Leader of the Opposition has made about the levanter affecting the Ice Box where it is, can be discounted because the place where it is intended that it should go is much closer to the eastern seaboard and does suffer more strongly from the levanter. We have been at some considerable effort to convince the Ice Box to go to this area but they have agreed and the position now is that time is of the essence. I am sure the owners of the Ice Box could not see their way clear, and I agree with them, to be waiting another two months while the Honourable Mr Isola does the homework he should have done some time ago in reading the Port Study. I would support fully that we spend the money today, it is money well spent. We are getting a brand new shed for ourselves where we can do

all our transit operations and customs bonded stores. We are getting a prime site for development and we are removing the Ice Box from the Port area where sooner or later it would have presented a difficulty in security.

HON J BOSSANO:

Mr Speaker, I am astonished at the arguments put by the Honourable Member opposite because if in fact, this is such a magnificent idea, why didn't the Government do it in the first place? Why didn't the Government, instead of giving the extra land to the Ice Box for the extension, move the Ice Box then and get all the benefits that they think will come out of releasing the Bonded Stores, having that space on the Port and all the rest of it. I can tell the Honourable Member that I will not be supporting the amount of money that is being asked for now. I think the Government is trying to produce post Port rationalisation for their action. Having taken a decision they are now producing arguments in support of the decision and I think the only trouble is that they are producing so many arguments, one after another that they are overstating their case. One is beginning to wonder whether we have won a first prize in the lottery, it seems to me, with this thing which is costing us a third of a million pounds. I accept that the Government is trying to produce the maximum return possible from a decision which, to me, is clear has been forced on them as a result of the Port Study and which they would not have taken in the absence of the Port Study, a Port Study which I certainly have not had a copy of, so it is not a question of not having done my homework and I do assure Members that I am quite happy to stay up all night reading the Port Study, but I have not had a copy of the Port Study and I would certainly have thought myself that if the future use of much of the land that is occupied today by the Navy is unclear then of necessity that must require a re-assessment of the use of land envisaged in the Port Study. I cannot see how one can say that because the Dockyard Study does not make any direct recommendation about the Port Study, although I must say it makes a lot of references to it, references which are incomprehensible to anybody having access to one and not to the other. If one is looking at the Dockyard Study and the Dockyard Study says: "as was said on page so and so of the Port Study", and one has not seen the Port Study then one does not know what the Dockyard Study is talking about. There is an inter-relationship with them and I would myself think that the implementation of the recommendations of the Port Study cannot be proceeded with without taking into consideration what is going to be the long-term future of the Dockyard, and how the Dockyard use impinges on the use of the areas that were looked at by the Port Study as the development of the commercial port. I do not think one can divorce one from the other and I think if there is one thing that one can point the finger to in the past in Gibraltar which I think has been a serious omission in terms of planning, is in fact looking at a place as small as Gibraltar in a piecemeal fashion whereas the whole development

of Gibraltar must, of necessity, be looked at as a total unit where one piece of the jigsaw cannot be removed without changing the composition of all the rest. I would think the Government would do well to reassess the Port Study recommendations in the light of the Dockyard Study not so much for what the Dockyard Study itself says but for what may come out of it eventually. I cannot agree that the arguments that have been put justify the decision that was taken to make the land available originally for the extension of the Ice Box and then subsequently to pay people off and buy something that they have really only had for a few months. I wonder what the capital gain is, Mr Speaker, on the value of that building as regards its construction costs a year ago, and the price the Government is paying for it now with capital gains which, of course, in Gibraltar are not taxed. I accept that what the Government is doing is to say: "If we are going to have to do this, then let us maximise the benefit that we make of the place once we own it and therefore let us move other things so that at least if we are spending £320,000 it is not money that we are throwing down the drain but something which will save us some money somewhere else." I am not disputing the logic of what the Financial and Development Secretary is saying in support of the decision but it is one thing to say: "Because we find we have to do this we might as well take advantage of it," and another thing to say: "The reason why they are doing it is because we want to do it for those reasons." If in fact the Financial and Development Secretary has had, as his intention all along to move the area occupied by the Bonded Stores, to release that area for development because it was the Government's economic plan that the area should be released for development, it would be a different kind of argument. That is not the argument that has been put. In my judgement it is not an argument that justifies my voting in support of a measure which I think the Government must bear the responsibility for. I am not convinced that in spite of the attempt that the Government will be making to get value for money there, at the end of the day when the whole thing about the future of the Port and the future of the Dockyard has settled down, we will find we have got such a big bargain after all.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, if I may I would like to put the record straight on what I said originally. I think that a reading of Hansard later will demonstrate this. I think I said that if one were merely looking at the purchase of the Ice Box for £320,000 merely to facilitate operations in the Port, I doubt whether the money would be well spent. However, if one takes into account that we have got to move for a time the Customs Shed whilst it is being renovated, to totally renovate it is going to cost us £350,000 and if at this time we can get permanently an area for development then the money is well spent. It was not a rationalisation of a decision that had been taken, it was a rationalisation of shall we or shall we

not take this decision. That is the way in which the Government looked at it and that is the way which I put it to them. Secondly, ever since I came here in September, 1979, I have looked every time I have been to the Waterport at that squalid building which is the Customs Shed and thought what a pity that this site cannot be developed.

HON J BOSSANO:

Yes, but, Mr Speaker, the Honourable Member does not know at this stage how many other sites he is going to have available in which to put the Customs Shed because he does not know what is going to be left of the naval presence in Gibraltar.

HON W T SCOTT:

Mr Chairman, if the Government is talking about reproviding or developing the old Customs Shed I can only assume that the offices at the moment occupied by the Customs are also going to be reprovided elsewhere. Could I have an answer to that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir, they are going into the Captain of the Port's present offices when he moves down on to the west side.

HON W T SCOTT:

I am very grateful for that, Mr Chairman. I have only got one point to make, Mr Chairman, and that is that we seem to have been talking about the cost of a new purpose-made Customs Transit Shed which is the figure of £400,000 that the Honourable Minister for Public Works just mentioned. Surely, we are not looking at that, what we are looking at, as I can judge by the remarks, is the cost of reprovioning the Ice Box, not the cost of moving a Customs Shed from one place to another. In fact, what I am really suggesting is that by the time that new Customs Transit Shed becomes operational, the cost of that will be far nearer the £400,000 that the Honourable Member opposite suggested that a new Shed would cost us rather than the £320,000 because that will require substantial conversion, I should imagine, at least on security perimeters, perhaps different offices, etc.

HON MAJOR R J PELIZA:

Mr Speaker, I think the thinking of developing the area to which the Financial and Development Secretary has drawn attention is a very good one. I think it is an excellent site and the potential there is extremely great, particularly in relation with one of the industries in Gibraltar which is proving extremely successful. But, and this is a big but, I think just to do it because we find that it is necessary to clear the Customs Shed now just like that, because we feel

that people are pressing to spend money on that when there might be no urgency to have to spend the £100,000 that the Financial and Development Secretary said before it would cost to get rid of the termites, I doubt whether that is justification to act with so much speed. I think that what my Honourable Friend is saying here is to give it a bit of more thought. Do we want to have the Shed that they want to replace in the area where the Ice Box is today or is it possible that after we have made a thorough study and we see how things are developing with the Defence cuts, etc., we find that we have only duplicated the blunder that was made in the first place. It is fair not to move with indecent haste in this particular matter. I believe that the owners of the Ice Box got an extremely good deal in the first place. Quite honestly I do not think it was necessary to spend £100,000 in the Study Report to find out that that place could be used for something else. It is so obvious that even before I was in Government I always used to question myself how originally they were ever allowed to build a site for refrigeration in a place where the cost of the jetty itself must run into millions of pounds so that a square yard of that area where the Ice Box was built must cost a fortune. Purely on that basis of giving away that very expensive land for almost nothing, it is to me impossible to understand how they came to that conclusion of giving that valuable land away for something that could easily have been built somewhere else. It is incomprehensible as far as I am concerned. That the blunder should have been repeated later by giving more room in that area just cannot be explained. I think my Honourable Friend is very right that if someone who replaced the previous Minister for Economic Development saw that this was absolutely unfair and wrong, that an attempt should have been made to change the course that the Government had taken previously. I think it would have been an honourable thing to do because, after all, we must not just think of the situation of the individual who got the contract in the first place but of the value that that place has got for the rest of the community and now the price that we are asked to pay is £320,000 plus, of course, something that at the moment is unquantified, the amount of money that may be required to refurbish the Shed, the building of the Customs; although I must say the building of the Customs we should not really take into account, that was in fact way back when the Varyl Egg Estate was built, the idea was to move the Customs to that area and the idea was eventually to get rid of all the sheds from there. I know that it has not been done and I know that certain expenses would have to be carried out in any case so therefore, Mr Speaker, must we act with so much haste? Is it not also to be taken into account that the Ice Box has a very good deal, that the Ice Box will be looked after in the proper way when the time comes, that pressure, as the Minister for Economic Development has said, can be put on them when the time comes and therefore it is possible to evaluate the real cost of transferring that shed to another place which if the Government is not satisfied with the estimate given by the Ice Box

they can do it themselves perhaps at a lower cost. Justice will be done in that way but there will be no element of capital gain as my friend here has said out of a situation which is in the interests of Gibraltar that a change should take place. In that respect, Mr Speaker, I think this House should give more consideration and listen more to what the Honourable Leader of the Opposition has said. We are not against, it is obvious that this is a question of amputation, the mess has been made and it has got to be cleared up. Let us look ahead - what are we going to do to put matters right? Obviously that area must be cleared, obviously the suggestion of the Financial and Development Secretary is an excellent one. The site that is going to be released is something that will be for the good of the economic development of Gibraltar. All those things are good ideas so the only question that counts now is should we do it here today or should we wait a little longer, give it more consideration? I think my Honourable Friend is right, let us give the matter a little bit more thought so that when we do act we know that we are acting knowing exactly what the position is.

HON A J CANEPA:

I know that I did not say that the decision that had been taken with regard to the extension was wrong or unfair. I know that I did not say that. I also hope that I did not give the impression that I thought that the decision was wrong or unfair because I did not think it was wrong and unfair because I was a party to that decision and it seems to me that if I was a party to something not only because the matter came up in the Development and Planning Commission, but then in Council of Ministers one was collectively responsible. If something is wrong then you change course, by all means, that is the Honourable thing to do. But I never for one moment thought that it was the wrong thing and at the time right till the Port Study had been commissioned, we did not know what was going to come of it. We now know. We have not acted in haste, I took a paper on the Port Study to Council of Ministers at the end of May, Council of Minister took decisions on the Port Study then at the end of May, I made a statement in the House in July and I did say in that statement that the Government had decided to enter into negotiation on the resiting or reprovisioning of the Ice Box. If I said that it was because we had decided at the end of May that this was the direction in which we should move. Here you have before the House this afternoon, the result of those negotiations in financial terms, in cas terms, and we have explained fully, which I did not do in July, the reasons that have motivated us, that have impelled us to arrive at the decision that we have taken. That the Government has thought carefully over the matter I think there can be no doubt when we have been considering the Port Study for over five months and negotiations have been taking place for four months. That is the result and we are not acting in haste. I can appreciate that

it is unfortunate that Honourable Members opposite did not have more time to have read the Port Study but they have it and the Port Study will, I am sure, enable them in future debates in the House to be better informed which was the intention all along. I also quarrel with one other remark and I am sure the Honourable Member did not really mean that. Of course it is not worth spending £100,000 just to be told: "Move the Ice Box out of the Port." When he sees the Port Study I hope he will realise that there is a great deal more to it than that and it is a very valuable document that will enable us to plan, broadly speaking, the direction in which Port Development should move in the future. Not that we are going to accept every single item or recommendation but the Government have accepted the broad strategy in that report and we mean to implement the broad strategy in the report.

HON MAJOR R J PELIZA:

Mr Speaker, perhaps I will clear the mind of the Minister why I suggested that perhaps it was not in agreement with the course that the Government had taken before. One thing is to be a member of the Government, the other one is to be actually responsible for a particular Ministry. Obviously different people have different ideas as to how to conduct the policy of particular ministries. The reason why I implied that he thought it was wrong and unfair was that he said that the honourable course for someone who took over from the previous Minister was to abide by the undertakings of the previous Minister. It was not a question of a new Government coming in which were free to change course but that he had inherited - that was the impression he gave to me - he had inherited the situation from the previous Minister, an undertaking had been given and therefore it was difficult if not impossible to change. This is why I put it in that way. Perhaps I exceeded myself in the words I used, perhaps if I had used the same words as the Minister he may not have quarrelled but to me the implication was that the Minister who took over was not quite in agreement with it. If he was in agreement, therefore, Mr Speaker, then he is just as much to blame as the previous Minister.

MR SPEAKER:

I think we have said as much as we can say on this particular matter. Unless there is any other contributor who feels he can contribute something new I feel that we should take a vote. I would remind the House that there is another item - Restoration of Communications with Spain - on the same vote. Does any member wish to say anything on that?

HON M K FEATHERSTONE:

Sir, I would like to move an amendment on Item 2. I would beg leave to move that the figure in Item 2, Subhead 12, should be

increased from £50,000 to £150,000. The idea behind this, Sir, is that as the Honourable Financial and Development Secretary mentioned earlier, a large piece of land at North Front, approximately some 4 acres, has been given to Government by the Ministry Of Defence and if the situation with Spain were to become regularised then we would need to do a considerable amount of road works in that area and it would be wise to have the money ready. The funds, of course, if approved, will still be reserved. At the same time there is also an area in the RAF Camp where a car park could also be made and funds might be needed for that as well.

Mr Speaker proposed the question in the terms of the Honourable M K Featherstone's amendment.

HON A T LODDO:

Could I ask the Minister, in that £150,000 is there provision for traffic lights?

HON M K FEATHERSTONE:

Yes, Sir.

HON A J HAYNES:

Can we have some further ideas as to what kind of provisions are being catered for, what is it that the Public Works Department have in mind for the opening of the frontier?

HON M K FEATHERSTONE:

In the event of an open frontier it would, of course, be necessary to have a large holding area for some 300/400 cars waiting to proceed through the frontier into Spain. There would also be a parking area for coaches, there would also be a parking area for containers and an unstuffing area for containers. There would also be public toilets at the frontier area.

HON A J HAYNES:

Is there any proposal to have a dual frontier system one frontier for cars going in one direction and another for cars coming in the other direction?

HON M K FEATHERSTONE:

That is something that we have had in mind because there is another round in the Spanish neutral ground area which might provide perhaps an exit road and the one exactly at North Front might present the entry road. This, of course, will have to be something negotiated with the Spaniards once the frontier was open. It would still not preclude the use of the area in question for what it was intended.

HON P J ISOLA:

Could I suggest that the words "token provision" are taken out from that explanatory note. £150,000 can hardly be regarded as token provision unless the Minister is thinking that the opening of the frontier is going to involve us in still more money in which case the whole thought might be re-thought.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, the word "token" was there when the £50,000 was there. Also the funds were reserved at that time but in the light of the latest explanations they will not be.

Mr Speaker put the question in the terms of the Honourable M K Featherstone's amendment which was resolved in the affirmative and the amendment was accordingly passed.

On a vote being taken on Item 2 Head 104 - Miscellaneous Projects - Sub-head 11 (New) Resiting of the Ice Box, the following Hon Members voted in favour:

Hon A J Canepa  
Hon Major F J Dellipiani  
Hon M K Featherstone  
Hon J B Perez  
Hon Dr R G Valarino  
Hon D Hull  
Hon R J Wallace

The following Hon Member voted against:

Hon J Rossano

The following Hon Members abstained:

Hon Sir Joshua Hassan  
Hon A J Haynes  
Hon P J Isola  
Hon A T Loddie  
Hon Major R J Peliza  
Hon W T Scott

The following Hon Members were absent from the Chamber:

Hon G T Restano  
Hon H J Zammitt

Subhead 11 (new) Resiting of the Ice Box, was passed.

Item 2, Head 104 - Miscellaneous Projects, was passed.

Item 3, Head 105, General Services

HON P J ISOLA:

When is the removal of the Romney Huts at Queensway likely to occur, could I ask? The other question is the purchase of car

parking metres. Is it the intention to buy individual meters or just one meter for an area in which people take tickets out, which seems to be the more common and economic practice than having individual meters.

HON M K FEATHERSTONE:

Yes, Sir, the idea is to have the meter where you put in a 50p coin, you get a slip of paper out, which you put on your windscreen and that lasts you for as long as you wish to stay in the car park throughout the whole of the day.

HON P J ISOLA:

When is this going to happen?

HON M K FEATHERSTONE:

The tender is already out for the removal of the Romney Huts and as soon as that tender has been granted and one or two legal agreements with the MOD have been finalised, which should be within a matter of a month, then we hope to remove the Romney Huts. The meters are on order, they would take approximately 12 to 16 weeks so I should hope by December or January we would have it ready.

HON A T LODDO:

Are these meters to be installed regardless of the frontier opening?

HON M K FEATHERSTONE:

The intention was yes, Sir.

HON A T LODDO:

Does this mean that the Government has changed its policy as regards the meters? I ask this because in answer to my question No.159 the Honourable Mr Zammitt said that this had been discussed in the past and it was not considered a practicable proposition at present to which I replied that presumably whether and if the frontier opened again it would be considered and the Honourable H J Zammitt said "Yes, Sir."

HON M K FEATHERSTONE:

I would not say it is a U-turn, Sir, perhaps it is a little swerve to the right or the left. It is a somewhat change in policy but part of the idea is that this is a new parking area. I think the idea in the past, where parking areas were in very short supply, it was not considered fully reasonable to charge. Since this is a completely new area and it will be

for about 160 cars, quite a reasonable size, then we want to start the new policy of charging. I think the area is fairly wide and there will be two meters, one at each end.

HON W T SCOTT:

Is the Government considering installing meters in areas other than the one occupied at the moment by the Romney Huts?

HON M K FEATHERSTONE:

Not at the moment, except for any new areas that may come along.

HON W T SCOTT:

Does the Government therefore not consider it a rather pie-in-the-sky attitude to have just that one car park meter-controlled and no other in Gibraltar? Doesn't the Government realise that eventually it will get no feedback?

HON M K FEATHERSTONE:

I am sure once there is a nice big parking space there people will start using it and paying the money. We have to start somewhere.

HON J BOSSANO:

Mr Speaker, I take it the Government has given consideration to whether those huts can be put to any use rather than be demolished? Is the best use to which that area can be put, i.e. demolishing the huts and just leaving it for parking cars?

HON M K FEATHERSTONE:

The request that we made to MOD to remove the Romney Huts was that we thought that on environmental grounds they were rather an eyesore because they hid the City Walls, etc. Initially they had wanted to charge us for the value of the Romney Huts but because they accepted that it was on environmental grounds they were willing to give the huts to us free of charge or to allow us to demolish them free of charge. One of the conditions was that, of course, no other building would be in that area since the intention was to make the City Walls visible to all and sundry.

HON W T SCOTT:

Would the Government consider giving one of these Romney Huts to one of the youth associations or perhaps the Adventure Playground, wouldn't that be possible?

HON M K FEATHERSTONE:

No, Sir. The consideration agreed with the MOD was that all the Romney Huts would be cleared.

HON A J CANEPA:

Even at this stage I think that Honourable Members have not understood that under the Lands Memorandum any land handed over to the Gibraltar Government on which there are buildings which have continuing use have to be paid for.

HON M K FEATHERSTONE:

Does the Honourable Mr Scott mean should we give them the empty shells to put them somewhere else? I think part of the idea of the tender was that the tenderer would probably give us a cheaper price if he would be able to keep the huts when he had taken them down. Whether he might be willing to give one to a youth club etc. I do not know.

HON W T SCOTT:

I am thinking in particular about the Adventure Playground where a nissen hut as a clubhouse has been erected with some help from the boys themselves.

HON M K FEATHERSTONE:

I do not think we need any more nissen huts there.

HON MAJOR R J PELIZA:

This undertaking is that no building will go up there indefinitely or is there a period of time after which you might be able to build if you feel that we should not have a car park or perhaps a multi-storey car park?

HON A J CANEPA:

Not only is it indefinite, Mr Speaker, but the policy of the Development and Planning Commission now would preclude building in front of the City Walls there. We would like to expose the City Walls in the manner that is done elsewhere, in cities for instance, like York. I think this is a great step forward which has got great potential not only for tourists but for residents as well.

Item 3 Head 105 - General Services, was agreed to.

Item 4 Head 110 - Electricity Services, was agreed to.

Schedule of Supplementary Estimates Improvement and Development Fund (No.2 of 1981/82) was agreed to.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move that in Part 2 of the Schedule, Subhead 104, Miscellaneous Projects; substitute "£90,000" for "£390,000" and in the total for the Part 2 substitute "£1,642,561" for "£1,542,561".

Mr Speaker then put the question in the terms of the Honourable Financial and Development Secretary's amendment which was resolved in the affirmative and the amendment was accordingly passed.

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

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

Clause 3.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move the word "five" in line 6 of the paragraph be deleted and the word "six" substituted. This would have the effect of voting a sum of £1,642,561.

Mr Speaker then put the question in the terms of the Honourable the Financial and Development Secretary's amendment which was resolved in the affirmative and Clause 3, as amended, was agreed to and stood part of the Bill.

Clause 4.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move that in subsection 2 of Clause 4, in line 2, the word "five" be deleted and the word "six" substituted and this again will have the effect of making the provision £1,642,561.

Mr Speaker then put the question in the terms of the Honourable the Financial and Development Secretary's amendment which was resolved in the affirmative and Clause 4, as amended, was 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 Post Office (Amendment) Bill 1981; the Elderly Persons (Non-Contributory) Pensions (Amendment) Bill 1981; the Non-Contributory Social Insurance Benefits and Unemployment Insurance (Amendment) Bill

1981; the Public Health (Amendment) (No 3) Bill, 1981; the Criminal Offences (Amendment) Bill, 1981; the Development Aid (Amendment) Bill, 1981, and the Supplementary Appropriation (1981/82) (No 2) Bill, 1981, have been considered in Committee and agreed to, in the case of the last-mentioned Bill, with amendments, and in the case of the other Bills without amendments and I have the honour to move that they be read a third time and passed.

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

The House recessed at 6.45 p.m.

WEDNESDAY THE 28TH OCTOBER, 1981

The House resumed at 10.40 a.m.

SUSPENSION OF STANDING ORDERS.

The Honourable the Chief Minister moved the Suspension of Standing Order No.19 to enable him to move the motion standing in his name.

Mr Speaker put the question which was resolved in the affirmative and Standing Order No.19 was accordingly suspended.

MOTIONS

HON CHIEF MINISTER:

Mr Speaker, it is with a sense of great satisfaction and happiness that I stand up to move that: "This House: (1) Welcomes and rejoices in the decision of the British Parliament on the question of the citizenship of the people of Gibraltar; (2) Records its profound gratitude and that of the people of Gibraltar to all those friends in the House of Lords and House of Commons led by Lord Bethel and Mr Albert McQuarrie, respectively, whose painstaking and devoted efforts have brought about this result; and (3) On this auspicious occasion expresses to the British Crown its reaffirmation of the loyalty and affection of the people of Gibraltar."

Mr Speaker, this motion has been co-sponsored by the Honourable the Leader of the Opposition and the Honourable Mr Bossano. Mr Speaker, perhaps it is a happy coincidence that we are meeting at the time precisely when the amendment was passed in the House of Commons last night which has given us the entitlement to registration as full British Citizens and that we can so early after that in this House be able to record our gratitude in the terms of the motion. At this stage it is not necessary to elaborate and expand at length on what this means in terms of morale to Gibraltar and the fact that despite initial severe British Government resistance we have won the day and I

think the significant step in this effort was first of all the motion originally moved by Mr McQuarrie, the fact that the amendment had equal number of votes in committee and naturally the Chairman had to vote for the status quo which is the normal situation. As it happened, in reply to the letter we sent to all the MPs just before this amendment was coming up in the House of Commons again I had a letter yesterday from Miss Fookes, who was Chairman, saying that she was the Chairman and that it is customary once you are the Chairman of a committee, not to take part in the debate much as she appreciated the arguments that had been put forward. She had the courtesy of writing to say that she would not be able to vote even if she had wanted to because of the convention. That was the first step - the second step was when in the House of Commons itself 21 Conservative MPs defied Government Whips and voted for the amendment which was not carried but by a rather reduced majority which I think shook the Government. Then of course, finally, the House of Lords' motion for the amendment was strongly supported by a number of Peers and Peeresses who have stood by us and have attended every meeting even though their mission had been finished, such as Lord Boyd-Carpenter, Lord Boyd of Merton, Baroness Vickers, Lord Boothby himself who, despite his years, turned up the other day at the House of Commons to greet us at the reception we had for members of both Houses. That amendment which was passed by such a large majority of a largely attended House, a majority of 3/4, set the feel to the feeling permeating across the whole spectrum of the British Parliament on the case for the people of Gibraltar. That, of course, and the further efforts made by MPs and, if I may say so with some humility by the efforts we made last week when we were in London to bring up to date and chiving up those who were on our side lead the Government to realise that everything had been in our favour for once, the time-table was not very comfortable for the British Government because the Bill had to go through all stages etc. and this lead the British Government spokesman last night - I think it was the Secretary of State, we will see the Hansard when it comes - to concede that the feeling on this matter was such that they could not rely on a majority and then it would bring about the possibility of the whole Bill going by default so, in fact, everything has turned out the way we would have wished. It will be recalled that the original motion did speak about people who were entitled, Community Nationals under Article 227(4), or who had the right of abode in Gibraltar, which was concomitant with that but on which the British Government had some reservations. Even some of our friends in the House of Lords last Wednesday expressed to me fears about the possible danger of Gibraltar providing a loophole whereby large numbers of people might be allowed by Gibraltar law to acquire the right of abode in Gibraltar and might then apply for British Citizenship and go on to settle in Britain. It is clear that this possibility cannot arise because of the amendment made to the clause in the House of Lords last week at the suggestion of Lord Bethell. I wish, however, to place on record in this House in the clearest

possible way and in fact I was told that it would be welcomed if that was made, that had the clause been passed as drafted before it was amended last week, the Gibraltar Legislature would never have allowed such a loophole to arise and it was certainly never in our minds that this might happen. As I have said, Mr Speaker, the possibility cannot arise now but the matter has been put to me in London with some force and I therefore feel it desirable to clarify it and put it on the record. Having made that clear it only remains for me, perhaps in the easiest motion that I have ever brought to this House, to seek the support of all members to it.

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

HON P J ISOLA:

Mr Speaker, it is with the greatest of pleasure, pride and humility that I co-sponsor this particular motion and I think it is most appropriate that it should be brought before the House at the first possible occasion since the amendment was passed in the House of Commons which, of course, would have been this morning. This is a symbol of our deep welcome and appreciation of what the British Parliament has done for the people of Gibraltar and it is with the very greatest pleasure that I support the motion. Mr Speaker, one of the marvellous things about the amendment to the British Nationality Bill has been the wide support it had from all sections of Parliament, ranging from the perhaps correctly described reactionary of Mr Enoch Powell to I suppose the correctly described left-winger of the Tribune group Mr John Tilley, both of whom have done sterling work to achieve this end for Gibraltar. It is impossible to mention all those who have helped in this struggle and I think it is appropriate that we should only single out the leader of each group in the House of Lords and in the House of Commons for particular mention in this motion because if we were to mention others the list would be extremely long but I am sure the House is deeply appreciative of what every member of the House of Commons and House of Lords have done for us in this matter. Mr Speaker, I did have some representation myself in the House of Commons last night and I did get a report of it and members might be interested to know that Mr Enoch Powell thought that the people of Gibraltar have been extremely generous in accepting the amendment that had been passed because he had thought himself that we should have become British subjects without the need to register, that is one extreme, and on the other side people might be interested to hear that the question of possible British withdrawal from the Community was mentioned and Mr John Tilley, on behalf of the Labour Party, said that if and when that occurred by then no doubt all the people who wished to be registered as British citizens would have been registered and that position would be fully protected. I think that will, I hope, allay the fears of people who consider that if the Labour Party came into power

our citizenship would be in danger. I am sure that would not be so, that would be obviously for the politicians of the day, but if that did happen, and I have serious doubts that that will ever happen, but if it did happen I am sure that with people like Mr Tilley in command of the British Labour Party, provisions would be made to protect the position of the people of Gibraltar to whom they have fully committed themselves in the Nationality Bill. People may also be interested to hear that in reply to queries in the House of Commons, the Home Secretary did give the decided impression that it would be possible for people in Gibraltar to register in Gibraltar, it would not be necessary for them to travel to the United Kingdom to register as British Citizens. In other words, Mr Speaker, I say this because I was listening to a television interview yesterday of a panel and I was getting depressed as the interview went on. It showed how good we are in Gibraltar in trying to find some problem when we have just solved the biggest problem I think that we have had and I must say that I am very impressed by the ingenuity of some people in Gibraltar who have to find new problems to start worrying about. Let me say straight away that I have no problems now and on this question I am perfectly happy, I am fully satisfied and I do not know what I have to say to reassure the people of Gibraltar that this has been indeed a great and glorious victory for the people of Gibraltar and for the Elected Representatives and for all those who have taken part in what really became a crusade, Mr Speaker. Although here we are expressing our very deep appreciation to the people who have been our instruments, as it were, the people who have fought for us, I am sure that we all have in mind how this has been achieved through the united efforts of the political parties in this House and their elected leaders and the united efforts of the tremendous number of people in Gibraltar going back to the people who actually signed the letter to Mrs Margaret Thatcher. Let them have no doubt about it, that that signature was a help, it has been the continuous campaign that has been waged by the people of Gibraltar ever since the White Paper was published on British Nationality that has had its effect culminating in the visit last week of the elected leaders of the political parties in the House of Assembly because I am sure that also must have had its effect on the Home Secretary because obviously he got to know about it and must have said "My goodness, they are here again, they are not giving up". I think that could have been a decisive factor in the British Government's acceptance of the amendment. I have no doubt, Mr Speaker, that we had extremely good chances of success from the very first day of our visit when I saw the number of MPs, old friends of Gibraltar and new friends of Gibraltar, who came in to assure us of their support and that message must have got back to the British Government who have accepted with extremely good grace and wholeheartedly the feeling of the British Parliament. That is important as well because I think that although regrettably we have had to fight the British Government on this issue, and I say regrettably because the relations between Gibraltar and the British

Government have always been very good, although regrettably this had to occur, I am very happy myself that it was not necessary to take it to a division in the House of Commons and the British Government accepted the will of Parliament as it had been reflected in successive votes, as the Honourable and Learned the Chief Minister has said, in the Standing Committee, in the House of Commons on the Committee Stage and finally in the House of Lords. I think that is a matter for great congratulations.

Mr Speaker, the other point I would like to say is that I do hope people have not got the impression that the whole purpose which was unfortunately an impression I gathered from one of the speakers in the panel yesterday evening on television, I hope people haven't got the impression that getting British Citizenship only means that people will now have a right to go to England and work. That was not the purpose of the exercise of the elected leaders of the people of Gibraltar. The purpose of the exercise was to acquire for the people of Gibraltar their nationality, the nationality to which they are entitled to, that of British Citizenship. The question of immigration and the question of being able to go and work in England were entirely side issues because we already had them as EEC nationals in the European Community and in accordance with the special arrangements that had been made. The whole purpose of the exercise was to acquire for the people of Gibraltar their rightful status as British nationals. This does not take away from our identity, as seems to be suggested by another speaker in the panel last night, this does not take away the identity of the people of Gibraltar no more than British Citizenship takes away the identity of the people of Scotland, the people of Wales, the Channel Islands and the Isle of Man. It has brought to us our rightful nationality, our citizenship and something of which we can be truly proud. That is the extent of our victory. To bring in questions of immigration and being able to work, Mr Speaker, those are just side effects and unimportant as far as those who have been fighting for this are concerned. We have not fought for British Citizenship so that we can have a place of refuge in the United Kingdom, that has not been in our minds. We have fought for British Citizenship so that the people of Gibraltar may have their rightful nationality, their rightful status, so that the position can be put back to what it was when the British Nationality Act of 1948 was passed. There have been erosions of this principle ever since the first Immigration Act was passed in the United Kingdom. The principle has been eroded year in year out and we have fought against this because we do not feel the people of Gibraltar have deserved this. Finally, after struggles of over seventeen years, Mr Speaker, we have regained our rightful status. For this we must be truly grateful and truly appreciative and therefore it is with considerable feeling and sincerity that we give our wholehearted support to every single word of this motion.

Thank you, Mr Speaker.

HON J BOSSANO:

Mr Speaker, I think the occasion is an auspicious one in that we have achieved something that is important for the people of Gibraltar and that they wanted but that I think also transcends the issue itself in that it should be a lesson to us in the many problems that we may have to face in the future. A lesson that if we devote our energies to quarreling with each other, our chances of success are almost nil and if we are able to produce a united position whilst retaining our own respective point of views on an issue, our chances of success are very high because then we are able to go to the United Kingdom, to Parliament, to the Labour Movement, the Trade Union Movement, the different organisation that there are in the United Kingdom who have got very strong links with the people of Gibraltar, who see the similar organisations that exist here, the institutions that have taken root here on the basis of what has developed over the years in the society in the United Kingdom, those institutions that we have got here are seen by their counterparts in the United Kingdom as part and parcel of their own organisation and we can tap that sense of identity and channel it on to a specific issue as we have done on the question of nationality. This is why we have had across the political spectrum almost unanimous support for the Gibraltar position because we have had in Gibraltar across the political spectrum unanimous support for the position. I think if there had been some people advocating a different kind of passport for Gibraltar then the situation from the United Kingdom end would have been completely different because we would have had the response of being told that we had to agree amongst ourselves first and then go and tell them what we wanted, which is sometimes used in fact, to delay things in Gibraltar but which nevertheless has got a great deal of validity in it. Therefore, the fact that we were able to take a common position was in itself a tremendous asset. Secondly, we have learned from this that whatever may be the official policy and on this question of nationality it is instructive to see how in Opposition the Labour Party was able to take a line which was obviously very different from the one it was taking in Government, and how the line it was taking in Government was very similar to the line being taken by the present Government which shows how much of the policy decisions are formulated by the permanent officials as is accurately reflected every week on that programme on Gibraltar television. But we have shown that because there is an intimate knowledge of Gibraltar amongst so many people in both Houses of Parliament and people who are able to carry a certain amount of weight outside Parliament, that can be used to reverse the official advice that is being given to show that that official advice is not accurate. That is something else that we have learned and which we have got to be grateful for because it has shown that the depth of feeling that there is in both Houses of Parliament and outside Parliament on Gibraltar is unique in the whole

spectrum of the relationship between Britain and the colony. I do not think any other colony has been able to mobilise anything like the support that we have been able to mobilise and I think even to say that we have mobilised it is an exaggeration. I think the reaction that we found was that people did not need mobilising, people needed informing, people needed to be told what was the feeling of Gibraltar, what was the concern in Gibraltar but they wanted to know whether the Gibraltarians were happy with the situation or unhappy with the situation. They did not have to be chased, Mr Speaker, and I think that shows that there is a receptiveness to Gibraltar's problems in the United Kingdom which has been used to very good result on this occasion which we can now be confident is there, I am not suggesting we go running off on an expedition to the United Kingdom on every issue we have a disagreement with the British Government, but nevertheless there may be other major issues where Gibraltar's security as a community, whether it is survival, whether it is a sense of identity, is in our judgement put at risk and I think the operation that we have now carried out may be worth repeating and Her Majesty's Government itself will no doubt be conscious after the result, and I would agree entirely with the Honourable and Learned Leader of the Opposition that it is preferable that it should have come about this way rather than it should have been a Government defeat. I do not think the British Government would have been very pleased with that and I do not think we should go out of our way to displease the British Government if we can avoid it, we are too small to be able to indulge in luxuries like that. Therefore, although the position was accepted gracefully, one has seen a reluctant recognition on the part of Her Majesty's Government of the strength of feeling that there was in Parliament and the recognition of that strength of feeling is something that the British Government itself will need to be conscious of on other issues where there may be differences of opinion between ourselves and the policy that the British Government wishes to formulate in respect of matters affecting Gibraltar. I also think that it is unique in recent Parliamentary history that there has been such a situation developing where it is almost seemed at one stage as if the Nationality Bill might be lost if Gibraltar was not in it which would really have been a momentous situation, it would have been Parliament saying: "Either you give the Gibraltarians British nationality or you do not give it to anybody else." At one stage, when we were in the United Kingdom, we were told that if in fact the thing had been taken to a vote in the Commons and lost by a very narrow margin then it was on the cards that the Lords would reject the Government's proposals once again and that then the timetable would mean that the Bill would be lost and would have had to be reintroduced. One can think of an even worse situation where the Bill kept on to-ing and fro-ing between the Commons and the Lords and there was a constitutional crisis because of our nationality. I think there is always this humorous situation depicted of the

the roar had worked. I am very happy to associate myself with the views and comments of the Honourable and Learned the Chief Minister and the Honourable and Learned the Leader of the Opposition and I think it is a happy day for Gibraltar, Mr Speaker.

HON A J CANEPA:

I think it is perhaps not inappropriate that as someone who has already had full British Citizenship for the last 40 years, since I was born in the Royal Borough of Kensington, I should join my voice and place on record the gratitude and appreciation which we all feel for the historic vote taken in the House of Commons yesterday evening. I am sure that I am speaking on behalf of the few hundred full British Citizens that there were already in Gibraltar, prior to the 27th October, in saying that we welcome you all into the fold. I would also like to underline that I am sure that those of us who already held full British Citizenship are living proof of the fact that we need not fear that the Gibraltarian is going to lose his identity as a result of acquiring full British Citizenship. I hope that my identity is well in keeping with that of the majority of Gibraltarians. I am sure that there is no difference between us and the others. I say that because there was some talk in this programme on television last night about division, that there are going to be divisions between Gibraltarians who have full British Citizenship, those who have Citizenship of the Dependent Territories and those who have Spanish Citizenship. I really think, Mr Speaker, that we are bending over backwards in Gibraltar to be democratic and to give a platform to minority views, perhaps we are taking that a bit too far. But to talk of Gibraltarians with Spanish nationality, fair enough, if that is the choice that some Gibraltarians are going to make, well, good luck to them. That is what freedom is all about, that is what democracy is all about but I do not think that that is going to bring serious division into Gibraltar based on the result of the 1967 Referendum, on the result of the 1976 General Election, the 1980 General Election and I am sure many more General Elections to come when I know that the people of Gibraltar will take no notice of those who would perhaps not mind seeing Gibraltar under Spanish sovereignty. I remember, Mr Speaker, that there was a motion on this matter earlier in the year and I remember saying that I fully supported the campaign that we were going to undertake and that I thought that even if we were unsuccessful the whole exercise would stand us in good stead because it would help to bring across the aspirations of the people of Gibraltar to the Mother of Parliaments and generate feeling for Gibraltar at a crucial juncture in our affairs. I think the exercise has more than achieved that and, of course, the fact that the result has been 100% positive is all the more satisfying. What I have found extraordinary about this has been not just the depth of feeling that there has been in Parliament in both the House of Commons and the House of Lords but throughout the British

general public that I have come into contact with in the last year or so. I think we have had great support in the British press other than for some reason best known to themselves from the Sunday Times, extraordinary that we do not seem to be able to get the support of this most Conservative of all British newspapers but there must be some reason behind that, Mr Speaker, and perhaps we should not go into that. That there has been great support amongst the general public I was able to confirm myself because when I heard of the result of the vote in the House of Lords, I was on holiday on the continent in Austria, I was on a coach tour, and the satisfaction amongst the other British people who were on this coach trip at the favourable result for Gibraltar was very great indeed. When I came back to London, meeting fellow Gibraltarians, they also had been very struck by the awareness, the knowledge that there was in every quarter about what was going on in the House of Lords. I remember friends telling us that on their return from a cruise to Southampton they had been queuing in the other channel, not the one for United Kingdom citizens, and when they reached the front of the queue the Immigration Officer ushered them into the other channel saying; "You are now like us, you do not have to queue here and you can go straight in with other British subjects." So there was awareness at every level and I think this has strengthened the position of Gibraltar in a very, very concrete matter. Mr Speaker, earlier in the month, on the 12th October, on the other side of the frontier they were celebrating El Dia de la Hispanidad. I think that it is perhaps appropriate that in the same month of October, on 27th October, we in Gibraltar should in future celebrate the Day of Britishness if that is an appropriate phrase to use. Thank you, Mr Speaker.

HON MAJOR R J PELIZA:

Mr Speaker, it is with tremendous delight and very high spirits that I stand here today in what I think is the greatest day that Gibraltar has seen in its history, of I believe it, is 278 years. It is something that since 1964 I have been struggling in every possible way, in my own small way, to see the Gibraltarians attain a national status that was second to none, an international status that would be respected wherever a Gibraltarian ever went, conscious that by having British Nationality in no way was that going to diminish our Gibraltarian roots and our Gibraltarian feelings which was very well put by my Honourable Friend the Minister for Economic Development when he explained very clearly that having been a British subject born in England he has felt as Gibraltarian as anybody else here in Gibraltar and in fact I have always sensed, if anything, an extremism for Gibraltarianism, if you can use that phrase. I never thought by the way he used to speak that he himself held a British passport which entitled him to full United Kingdom Citizenship with all its attributes. Since 1964, Mr Speaker, I have been lobbying the House of Commons even in the days when I lived in Gibraltar. I remember going with Mr Recagno, paid then by the

Party that I belonged to and that started all this, the Integration with British Party, and there forming a little lobby, paid of course by the membership, and from there on we have been keeping it up, in fact a lot of Gibraltarians who have never ceased writing to Members of Parliament and at one time we even had a headquarters very near here at Ferrary's shop where Mr Cullatto used to give out the names of MPs to which members of the party used to write. Having said all that, Mr Speaker, and notwithstanding all the letters that have gone from Gibraltar, I am sure that we would never have got it if it hadn't been because the Chief Minister and the Leader of the other Party made visits to the United Kingdom and showed the feeling of the people of Gibraltar which they represented through their own parties and in their own positions. I think the people of Gibraltar must be very grateful to the leadership in Gibraltar for having achieved this. They should be particularly grateful to the Government because it is very difficult for the Government to confront the British Government and in this respect the Government has shown tremendous courage and has been well paid for it. I think the Chief Minister knows very well and so does the Government, that this is no flattery because I am not the kind that usually lets the Government get away with it. If anything, it is the other way about. I think the sincerity of my words are very clear and I hope that this is taken seriously. I say this for the same reason that my Honourable Friend has said here, that with a united Gibraltar in the way that it was on this occasion, we may be able to achieve many things that seemed impossible at some time in the past and that now it has been proved is possible. I have one in mind that I do not want to mention here, Mr Speaker, but I know which one it is and I will only say we have in fact decolonised the people of Gibraltar and this is why I feel so happy, this is the decolonisation of the people of Gibraltar and we have got to think very hard of decolonising the territory and I think that that can be achieved in the same way as this has been achieved. Mr Speaker, the MP's having seen the genuine feeling, this unity is not something that can be treated with words by making it appear that there is unity, this is the great thing about this House, that there are times when we genuinely believe in what we are doing, we unite and when we genuinely believe that there is something wrong that we cannot possibly make it up, in a true democratic manner, we disagree. This is the exercise of democracy. How beautiful it is that here where we follow almost to the letter the pattern of British democracy in the United Kingdom, that we have seen how democracy works at the other end and how it is possible for elected members to literally change the thinking of a Government in the way that this has been done. This, Mr Speaker, is true democracy and this is what basically and deeply the people of Gibraltar feel and want to defend and this is why we have been able to resist all the pressures that have been coming upon us, and this is why I have faith that we shall carry on defending ourselves and resisting any pressure that is likely either to divide us or which is likely to take

away the values that we have inherited from Britain. In the past, Mr Speaker, we have called Britain our mother country. We feel it is our mother country because we have so many values that we share. We saw it gradually by events, the 1962 Immigration Act, which had nothing to do with nationality really in that we still had the nationality of citizens of the United Kingdom and colonies, that although we still had the same nationality, barriers were coming up. It was not just a question of not being able to go into Britain, it was the drifting away, I think, that was worrying the Gibraltarians but now, in the process of redressing our way we came to a cross-road; there is now going to be a completely different citizenship. Instead of being citizens of the United Kingdom we were going to be another type of citizen, citizens of the Dependent Territories. A transitional citizenship, Mr Speaker, intended for territories which were on the way either to independence or to some other form of evolution, an evolution that we did not accept and could not accept because for us Britain was the mother country and we wanted to remain this way and now we can call Britain our mother country in the full sense of the word, in no way diminishing the right to Gibraltar and the way that we feel Gibraltarian. This is our town, this is our home town, Britain is our nation. There is great rejoicing in Gibraltar but there is also great rejoicing in many places in the world of Gibraltarians who will recall during their stay here how much they were trying to achieve this. I can mention a few names but there are many others, Mr Speaker. I can mention Joe Caruana in Canada and Lloyd Devincenzi, in Canada.

MR SPEAKER:

Let it be said that I would not like to interfere with the rejoicing but we must not go into too much detail.

HON MAJOR R J PELIZA:

My list will not be all that long, Mr Speaker, but I think we ought to mention names like that, of people who really stood very firm for that. I can think, Mr Speaker, of Maurice Xiberras in the United Kingdom, all those people and many more, the Gibraltar Group and all the members of the Gibraltar Group who also helped from the other side, people all over Britain who, conscious of the feelings of Gibraltarians, have done their best in their own little way to try and make sure that we get it. Of course, our thanks must go to the MP's above all. Men who really in no way being vote catching in Gibraltar because they are not likely to be elected by the result of this, felt very strongly in a true democratic manner that they had a responsibility towards those British subjects abroad who felt a strong allegiance for Britain, Enoch Powell is one of them. He spoke of allegiance and he saw what was meant there, he knew that with allegiance goes values and responsibilities as well. He sensed it and he defended it and

he spoke for us and so, Mr Speaker, along the spectrum of the different political parties in Britain we had Members of Parliament who supported us. But we have got to be grateful above all to the Conservative Members of Parliament who literally voted against the Government and got themselves in the black books. I heard someone tell one of them: "You'll never be a Minister because of this". A man perhaps who had risked his future career within the Party simply because he felt that this was a matter of great principle and he stood by that in a true good politician manner who put his principles and honour before any personal gain. I think to those Members in both Houses but particularly the House of Commons we must be very grateful. I fully agree with the suggestion of the Minister for Economic Development that we should have a day in which we celebrate Britishness. I do hope that this will not be very far from today so that we can give an opportunity to the people of Gibraltar to express their feelings in the emotional way that we have always done, with the bunting, with the flags, with the cars moving about Gibraltar, perhaps we might be able to arrange for a delegation to take this motion, having been passed here, to the Governor in a demonstration and handed over to the Governor. I think that something has got to be done so that the people who have given so much for us in Britain, particularly the MP's, can see how we have appreciated the way that they have stood by Gibraltar. I think it is vital that we should do that. Words count, of course, but feelings count much more and if it is seen to be spontaneous all that better. This is not the last battle, Mr Speaker, we may have to fight many more battles ahead. Let us show that we appreciate what is done for us so that if at any other time in the future we are going to need their support that it will be readily coming.

I therefore sit down a very happy man today and hopeful that if the occasion ever were to arise again when this House has to unite, that we will do so with the same effectiveness as we have done on this occasion.

HON M K FEATHERSTONE:

Sir, underneath the arches of Charing Cross there is a modest little theatre whose motto is to put on nightly Victorian Music Hall and they have a Master of Ceremonies who is given to very great verbosity and long alliterative statements but he does have a lot of perspicacity in what he says and he is very succinct and to the point. One of the features during the performance is to ask the audience if there is anybody from overseas and if somebody from Australia or New Zealand should stand up he says: "I am glad to see you in this country. How does it feel to be the right way up?" I have been to this music hall and I have stood up and I have said I was from overseas, from Gibraltar, and he said "Oh, you are not from overseas, you are one of us". This, Sir, I think is the situation that very many people in Britain have always taken

about Gibraltar, that we were one of them and not least in the help that the British public has given to Gibraltar in their struggle over recent months, has been the help from the Albrighton Working Men's Club, who wrote to Mrs Thatcher on Gibraltar's behalf saying almost the words that we were one of them and we should not only in theory but also in fact and although Mrs Thatcher turned it down at the time they continued pressing, they wrote to the Commons on our behalf and yesterday it has become an actual fact. I myself, Sir, as members will know, have like my colleague on my right, had a British passport from the beginning but I feel myself just as much a Gibraltarian as anybody else in this House and Gibraltar has been very good to me, they have taken me to their hearts, I am very proud to be a Gibraltarian and I have been with the people of Gibraltar in their fight all the way through to achieve full British citizenship. We have a great debt of thanks to offer Mr McQuarrie, almost a Gibraltarian himself, he spent quite a number of years out here, and to Lord Bethell who when he first came out here was not so sympathetic to Gibraltar but we taught him and he turned round and he has become a stalwart on our behalf and he has done wonderful things for us. Apart from all our many friends in Britain and especially, of course, Mr McQuarrie and Lord Bethell, I would like to give my appreciation to all the public of Gibraltar who have responded in this struggle from the very beginning and especially to Sir Joshua and the Leader of the Opposition and Mr Bossano who on several occasions have gone to Britain and have lobbied and have done a wonderful job. It is a great day for Gibraltar. I think it would not be a bad idea that we should celebrate it every year. The Army celebrate Sortie Day, it was a great day for them. Yesterday was a great day for the Gibraltarians, it is something of which we must be very proud and very happy and now we can say fully in fact as well as in theory: "You are one of us".

HON A T LODDO:

It is very true to say that we have achieved what we have achieved because of the sterling work done by our friends in both Houses of Parliament, also very true that the contribution made by the Chief Minister, the Leader of the Opposition and Mr Bossano has played a very significant part. Also very true that every little grain of sand that could be added to the labour has helped but the most important thing is, in my opinion that our cause was just. Had our cause not been just no amount of pulling together would have achieved the purpose of the exercise. However, that in no way diminishes the effort put into this by all who have been mentioned here today. All I could do, Mr Speaker, would be repeat what has been said over and over again. One thing I would like to repeat, because my initial reaction was precisely that, that we should have a Gibraltar Nationality Day which we should celebrate every year. Thank you, Mr Speaker.

HON CHIEF MINISTER:

There is not very much I want to say. It is an easy motion to reply to. Everybody is on my side or I am on the side of everybody, but there are one or two points that I would like to make which have arisen out of points made by speakers. First of all, there will be a press release being issued today saying that people should wait until the Bill is put into effect because it has to have the Royal Assent and a date for its introduction, and that they should not apply to the Passport Office for application forms of which there have already been some enquiries, because it is going to upset the day-to-day work of the Department which has still to carry on issuing passports and providing registrations and additions to passports. We do envisage, of course, that the registration will be made either here or through the Secretariat, the paper work, etc., will be undertaken by the Passport Office in the usual way. That is the first point I would like to make that people should not be unduly perturbed if they have to wait a little. The other point made about the question of the possibility of a future Labour Government taking Britain out of Europe. At the same time the same manifesto that has committed the Labour Party to do that has committed the Labour Party to scrap the Nationality Bill so we would certainly not be put in a worse position and we are now equals and we will remain equals whatever equality means after that. The other one is the twist and possible intentions that can be given locally or elsewhere to what has happened. I am not surprised because I heard Spanish Television saying this morning from London that the people of Gibraltar had now ceased to be Gibraltarians, they are now British Citizens of first class living on Spanish territory. Let me warn people seriously that they will be submitted to a considerable amount of propaganda of that nature the same as they were being submitted to propaganda that we were being relegated to second class citizenship when the Bill came up. But unfortunately there are still people who believe everything they read and believe everything they listen. I am sure that it will save all of us quite a number of telephone enquiries of "Are we alright now?" after what Spanish television, radio or the occasional performer on Gibraltar television might say. Other than that, Mr Speaker, the suggestion as to how we ought to celebrate this and so on, I will now take the cautious line of saying it is a matter to be considered. We must not take hasty decisions about this matter. I think that is a matter for consultation and decision and also consultation with a set of people who have not been specifically mentioned but I would like to mention them collectively and that is the Representative Bodies. The Representative Bodies who subscribed to the original memorandum and who were kept informed and they will be got together, certainly as soon as possible, to show our appreciation because it is through them that all the efforts emanated along the line. Other than that, I have nothing more to say.

Mr Speaker then put the question in the terms of the Honourable the Chief Minister's motion which was unanimously resolved in the affirmative and the motion was accordingly passed.

HON CHIEF MINISTER:

Mr Speaker, I have given notice that I propose to move the suspension of Standing Order 19 to bring in a motion in respect of the appointment of a Select Committee to look into the question of the Landlord and Tenant (Miscellaneous Provisions) Ordinance and for the composition of the Committee.

Mr Speaker then put the question which was resolved in the affirmative and Standing Order 19 was accordingly suspended.

HON CHIEF MINISTER:

Mr Speaker, I have the honour to move: "That a Select Committee of this House be appointed to consider the Landlord and Tenant (Miscellaneous Provisions) Ordinance and to make recommendations on the legislative changes that should be made in relation to residential and business premises."

Mr Speaker, as is well known, in July of this year we published a Bill which went through First Reading in this House, with amendments to the present Landlord and Tenant (Miscellaneous Provisions) Ordinance. Since then, Mr Speaker, we have received very strong representations from both spectrum of society and in fact from all aspects of it, of different matters according to the view from which it was looked. One thing has come clear from those representations and that is that the matter deserves more than a debate on Second Reading and Committee Stage. There are aspects, representations have been made and the suggestion has also been made and this has been taken into account, that a Select Committee should be appointed. I think we have decided it on the merits but we have also taken into account those who have suggested it and having regard to that, it is felt that it would be better for the purpose of dealing with this rather knotty and difficult problem which has not been touched a long time, to appoint a Select Committee on the matter. I have been in consultation with the Leader of the Opposition and he is agreeable to this procedure and I propose to move subsequently for the appointment of the members of this Select Committee. Sir, I commend the motion.

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

HON P J ISOLA:

The appointment of a Select Committee to consider the Landlord and Tenant Ordinance and indeed we would hope to consider, generally, the relationship of landlord and tenant in Gibraltar as it affects accommodation of all kinds and as it affects

business premises. Let me say straight away that I am glad that the terms of the motion refer to the existing Landlord and Tenant Ordinance on which a Select Committee is being appointed and not on the Bill which brought before the House although the Bill that was brought before the House is a document on the House and no doubt the Select Committee will want to look at it, but I say I am glad because when the Bill was read a first time because of the nature of our procedures it was not possible for Members to comment on it and nor do I wish to do so now except to say that we did find serious defects in the Bill that was brought before the House both as regards drafting and as regards content and we hope that the Select Committee which will sit to make recommendations on the Landlord and Tenant (Miscellaneous Provisions) Ordinance will be guided by its general attitude towards the whole of the legislation and not necessarily the legislation covered by the Bill. Mr Speaker, we have not discussed the question of landlord and tenant in this House nor do I think that it is necessary for us to discuss it except that I think I ought to say something briefly on how my Party views this question. We think that the question of landlord and tenant is indeed complex. We think that normally the legislature only has to interfere when it is necessary to do so and where there is obvious abuse. We feel that a case has been made out with regard to abuse in this sphere of landlord and tenant relations and that when abuse is made out it is appropriate for the legislature to step in and interfere so as to bring about a more just relationship between landlord and tenant. That are general principles with which nobody would disagree. We also feel, Mr Speaker, although it was not provided for in the Bill, that it would be appropriate for the Select Committee to look at the question of furnished accommodation as there is evidence of abuse there and we do think that a new look has to be taken at the whole question of landlord and tenant legislation although in saying so I would hope that the Select Committee would be guided by English precedent and not try and embark on legislation totally different to anything in existence in England because if you do that then you start running into problems of interpretation of the law because my experiences have been as a lawyer that very often what people think the law says is not so. Therefore, it is essential, in my view, that the Committee should be guided by normal principles as they exist in England. We feel that as far as housing accommodation is concerned the Committee will have to take a very close look at the matter because in Gibraltar there is serious accommodation shortage and therefore the temptation for abuse is there and must be curbed. We also feel, Mr Speaker, that the Committee will have to take into account the general need in Gibraltar for an alternative economic strategy and that here we are, and this is one of the main reasons why I agree to a Select Committee and why I think this is the appropriate place for this legislation to go to, because there is undoubtedly a clear conflict between the interests of development and the interests of protecting people in their homes and the interests of protecting people from rent.

abuse. Therefore, there is a conflict of interest and I hope the Select Committee will be able to resolve this conflict of interests in a way that is beneficial to the development of our economy and also protective of the rightful interests of people who live in Gibraltar and have a right to expect security in the accommodation in which they live. I am sure that members of this House would not quarrel with these principles and we hope that the Select Committee can come up with legislation that balances reasonably the interests of the landlord and the tenant and protects the tenant from abuse. As far as business premises are concerned, Mr Speaker, I think I ought to say something although I would myself be inclined to leave this to the Committee obviously but as far as business premises are concerned my own feeling on the matter is that there is a need not so much for restriction in some respects but there is a need as far as rentals are concerned for the Select Committee to look at the definition of market value. I think that there is great difference of opinion as to what market value is. It is, in my view, totally wrong that market value should be determined on the basis that some valuers in Gibraltar determine it today which can be frankly quite outrageous. Equally, there is no particular reason why a business which runs on the basis of profit should not pay the reasonable market rent. Now the Select Committee is going to solve that one out I would have thought the best way to do it would be to look at the definition of market value and come up with a definition that produces a market rental which is market rental but not an extortionate market rental. I think again in this area we want to prevent abuse. That is what we are here for, to prevent abuse. In this respect, no doubt, they will take into account the representations that are made to them on behalf of landlords and on behalf of tenants of business premises. The other problem they will have to face, Mr Speaker, is the question of a landlord who wishes to take over business premises for himself. That, again, is a serious problem. Unfortunately, or fortunately, depending on how people look at it, there has been a certain amount of property speculation in Gibraltar in the last two years and people have speculated in property and paid inordinately high prices in the hope that they would get possession of business premises and this has tended to distort the market. At the moment people who purchase property have to wait five years before they can acquire possession of business premises for a business to be carried on by themselves. I think the Select Committee might do well to look at the possibility of extending that period of time from five years to, say, ten. I think the benefit of that would be, it would put a brake on sheer property speculation and property acquisition would then be based on normal business norms and not speculation. It would then help people who find they have new landlords, it would give them a longer period of time in which to re-arrange their affairs. One of the provisions I did like in the existing Bill was the longer notice that had to be given to people who had been in occupation of business premises for a long time. I think again that is

something that I am sure the Select Committee would wish to look at and examine. My own feeling on that of course is that if the longer period of notice is to be effective based on the number of years the business has been in occupation of business premises, there should be provisions that the notice cannot be given before a year the tenancy expires otherwise if the period of notice, for example, is to be four years, you would be in the position that landlords could give a notice as soon as a new lease had been signed to get them out and get round the provisions so therefore I would expect the notice to start running after a minimum period before the termination of the lease. Mr Speaker, those are just ideas I put forward to the Select Committee and ideas that I feel from my experience in this matter would be helpful to getting a more just position between the landlord and the tenant. But again I would urge the Select Committee to take a completely fresh look at the whole question of landlord and tenant and not be influenced in any way by any arguments that I may be putting forward in this House. It is a matter entirely for them to make recommendations and then it is a matter for us to make comments on those recommendations. I would also hope that they will invite, obviously they will, they will invite the opinions of all the people who are so intimately concerned in these issues. The Action for Housing Group, for example, are showing real concern for people whose interests are affected by the Landlord and Tenant legislation and I hope that the Select Committee will pay due weight to the arguments that they may put forward as well, indeed, Mr Speaker, as the arguments that may be put forward on behalf of the landlords. They are equally a part of our community and are equally entitled to have justice done to them. One thing, Mr Speaker, that I would like to make a comment and I am glad to have heard from the Honourable Chief Minister that the Government is going to put forward a legislative measure, some sort of emergency Bill, for the interim period because there has been a lot of concern expressed that a Select Committee would inevitably take time and I think they will take time and I think they have to take time and I think in Gibraltar we must accept the constraints upon which we work. It is not possible for a Select Committee of the House to sit every day until it comes to a solution. It is not possible for a Select Committee of the House to produce a result quickly if it is to do its job properly, indeed, it is not possible for any Committee in any sphere of our life to produce a report within six months. It is not possible to have justice done in this very complex subject in a matter of days, weeks or even possibly months. I would hope that the Select Committee will in fact do its work as all Select Committees of this House do, as expeditiously and as efficiently as we are accustomed to from them. But there is this interim period and I think there is a need to ensure that nobody starts getting possession of premises, or accommodation, or evicting people in this interim period. I have just been handed the Bill, I will talk about it obviously when we consider it but I think there is a need for the interim period to be protected and we would support legislation to this

effect. Our own view was that for a period of six or twelve months there should be no possibility of executing any order of possession in respect of any living accommodation of any kind except one or two exceptions, one of them of course is if the tenant is not paying his rent, the other one was where the tenant isn't the tenant, for example, where he is living in a tied house which he has got by virtue of his employment. That I think is something that you have to get possession because he should not be there, he is not a tenant, he is a licensee. Those are the two main things. As far as living accommodation is concerned it is not such a problem because there you get an order for possession. We see no reason why proceedings should not continue right up to possession but you cannot get possession and then I would expect the Select Committee to recommend transitional provisions to deal with the particular cases. As far as living accommodation is concerned it is no problem because you have got to get your judgement for possession. As far as business accommodation is concerned it is more intricate because what happens is that a tenant is given notice to leave and then at the end of the notice he has to apply for a new tenancy and then the court dismisses the application if the landlord proves he wants it for himself or proves whatever and that is it, his tenancy is finished, but still even in that case, I am sure that could be dealt with by the Attorney General either by again stopping proceedings for possession following the dismissal of an application or making the application to no effect. There is a need for a moratorium, Mr Speaker, the request has been put and I think it is a fair one because we cannot have the Select Committee of the House working under pressure of people being thrown out of their homes or thrown out of their businesses by landlords trying to get in before the new legislation comes in. I think that is an impossible situation for any Select Committee to be under and, of course, it is unfair. It is unfair because it is wrong that somebody should be turfed out of his accommodation and then find that the legislation passed a year or six months later would in fact have protected him. That would be unfair and therefore we would support temporary legislation to deal with the interim period so that the Select Committee can get on with its work, I hope, expeditiously. I hope we do not have to have Bills coming to this House extending the temporary provisions. I think it is essential that the Select Committee should do its homework. I would have thought a period of about a year would probably be able to meet the problem and enable the Attorney General to work on the Bill during the summer holidays. Mr Speaker, we support the motion for a Select Committee as being the fair way of trying to get a new Landlord and Tenant Bill into this House. The last one was in 1958 and I suppose that every 20-odd years there would probably be a need to revise this legislation. We support the motion.

HON J BCSANO:

Mr Speaker, I shall be voting against the motion. Let me say

first that I find it quite extraordinary that the Government should at this late stage find it necessary to set up a Select Committee to establish what are the requirements for a substantial revision of the Landlord and Tenant Ordinance when they have been promising this House over the years that such an exercise was taking place and that the delay in seeing reforming legislation was precisely because it was a very complicated matter which was being studied by Government. I would have thought that if the Government has spent the last 2 or 3 years studying the Landlord and Tenant Ordinance, the Government itself would by now be in a position to have taken a political decision in the matter and to know where it stands, as Government, as a political party, on the issue of rent control and on the issue of the relationship between the landlord and the tenant. I do not think that it is a matter on which one can take a position which is non-ideological, if I may put it that way. The question of rents and private property go to the root of some of the fundamentals of political ideology and certainly I would not support the Select Committee for a number of reasons. On the one hand, the policy of my party is a policy decided by the Party Executive and by the party membership as a Socialist organisation with clear-cut concepts. Secondly, as I say, having pressed the Government in the past on when the new legislation was going to appear, I would have thought that it is difficult for the Government now to come and say that they need to do something which they have already been ostensibly doing for a number of years. Thirdly, the new Bill introduced by the Government which did not, as far as I could see, reflect a very deep analysis of the existing legislation or a reform of the existing legislation. Effectively, all the Bill did was to attach a new part to the legislation, to extend some protection, some control, to the area that is at present not controlled and it left the existing situation unchanged. This Select Committee, presumably is going to go not just into what is being proposed in respect of post-war accommodation but into the situation of pre-war accommodation and I do not think it can look at private property exclusively without looking at publicly-owned property and I think there is one particular area which is the area of rent control and in a system where one believes in supply and demand and where one believes in commodities determining the price depending on the availability, then the decision to control rents, like the decision to price control any other commodity, must stem from a political position. I think that a Rent Act is one specific area which in many other legislatures is provided for separately from other legislation covering the question of landlords and tenants. Rent control, Rent Acts, the existence of Government machinery for assessing or determining fair rents, the criteria upon which fair rents are arrived at and, in fact, the necessity to have criteria that are common and that are accepted and that are standard rather than ad hoc decisions on what is the rent and what is not the rent. One of the objections that I have, Mr Speaker, to the Government's Bill published in July was that it

legitimised the rents that were in existence on the day the Bill was published in July and that seems to me to be unfair to those landlords who were either charging reasonable rent or even charging relatively low rent in that on that particular day they were caught with the rent they had and there was nothing they could do about it. They were limited then to a 10% increase of what could be a very modest rent. On the other hand, the bad landlord who had tried to extort the maximum from his tenant, was rewarded for this by being allowed to increase that exorbitant rent by up to 10% and therefore it seemed to me to legitimise, to freeze the situation as it was and in freezing the situation reward the bad landlords and penalise the good ones. To simply now go into the Select Committee and leave the situation as it stands is going to make the possibilities of altering that even more difficult. I think the Government will have great difficulties in a year's or eighteen months' time in going back and re-assessing the rents in July, 1981, and getting people to have presumably the money refunded if they have been overcharged throughout the period that the Select Committee has been sitting. I think we need to do something on rents now, immediately, irrespective of the longer-term reform of the law. I think the demand that there has been from the public organised by the Action Committee, shows that people are expecting from this House immediate action on what is becoming an increasingly serious problem and the reason, of course, and one has to recognise that that is the reason, the reason why we have got this situation of exploitation is because housing is being exploited as an economic commodity in a situation of shortage, and one cannot really cure the symptom without curing the illness that is giving rise to the symptom. High rents and key money are the reflection of a mad scramble for houses and of the chronic housing shortage that Gibraltar is suffering and of the mal-distribution of that housing and the fact that the people who are in desperate need of housing may be people who have got very limited means and there may be, on the other hand, people who can well afford to provide for themselves and who are living in either highly subsidised Government accommodation or pay very low rents in pre-war accommodation that is rent-controlled. There is no relationship between what people have to pay and their ability to pay. In that situation what tends to happen is that when anything becomes free, when anything comes on the market, the landlord will try and get the maximum return on that property particularly if the landlord has been in a situation of getting a return on the property over a number of years which has not even allowed him to cover the maintenance cost of that property. We need to do something to prevent that because whatever the justification from the landlord's point of view the person that is at the receiving end is not the person responsible. If somebody has enjoyed a property for 40 years at a peppercorn rent the poor successor of that situation is now being made to pay for all the years the other one did not pay. We cannot allow that situation and this is really where the public outcry is greatest in the question of privately-owned accommodation which is rented 'furnished' only to try and

get round a commitment in law which gives protection to tenants where the places are furnished with a few old sticks of furniture. The question of key money which is rife in Gibraltar, which is now running into thousands of pounds and which we all know is happening and it is no good saying in this House of Assembly that it is illegal, like the Honorable and Learned Leader of the Opposition said once on a television programme, all you have got to do is invoke the law. It is not all that easy to invoke the law. It is not very easy to find out today who is responsible for enforcing the Landlord and Tenant Ordinance because certainly I have made enquiries in the past and nobody seems to be quite sure what is the Government Department which has responsibility and the onus to get the machinery moving in any case is put on the tenant and most tenants are not very conversant with the law and not familiar with it and in any case they are afraid for the security of their tenancy, they are afraid of being evicted if they complain. People do not like paying £2,000/£3,000 key money but there are two things that constrain them and force them to do it; one is that given that every time one unit comes on the market there are a dozen families chasing it, every one of those families knows that if they even hesitate there will be somebody else who will pay and that happens constantly. That is one factor; the other factor is that people are afraid that if they complain, even if they get their money back, they will lose their accommodation and once they have done that they will be blacklisted by any landlord that charges key money because nobody is going to put themselves in the hands of a tenant like that twice and in Gibraltar there is no question of anybody being able to make a complaint without the information getting back to people it shouldn't get back, that has never happened in Gibraltar and it will not happen. The person that takes a stand must be prepared to suffer the consequences of it being known that he is the one pushing for it. The Bill that the Government intends to propose as far as I can tell simply gives protection in the sense that rents cannot be increased at shorter periods than six months since six months' notice has got to be given. Am I right in thinking that?

HON CHIEF MINISTER:

An extension of six months to any period, this is an emergency Ordinance. Incidentally, Sir, that is a printing error in Clause 2, it should read "expires on 30 April 1982". I shall discuss this later but this is intended to hold the position with regard to people who are in possession now and there might be attempts at evicting them or increasing the rent whilst the matter is being considered.

HON J BOSSANO:

In the context of what I am saying about the need for immediate legislation that is one of the basic arguments that I am putting to the House. One is that there is need

for immediate legislation irrespective of what is being done on the major exercise of the Select Committee and, secondly, I think it is a matter for political decision for party policy, rather than for a Select Committee and that the investigation and analysis of the situation, the Government is supposed to have been doing already for three years. But on the question of immediate legislation I am saying that this is not sufficient and therefore if I am mistaken obviously I stand corrected. I am saying this is not sufficient because it seems to me all that it is doing is to say that you cannot increase the rent more than twice a year until the House decides otherwise because if you are required to give six months notice of any rent increase then presumably you can give six months notice today and then in six months time give another six months notice. There is no limitation as to how much the increases may or may not be and, presumably, when the House eventually decides to come up with proposals, if those proposals eventually become law once they are debated here then I think it would be extremely difficult to undo whatever has happened in the interim. I would have thought that the Government would have been better in spite of the limitations of their proposals because as I said before, Mr Speaker, as far as I am concerned the Government's Bill published in July was not an attempt to reform the whole question of the relationship between landlord and tenant which the Honourable and Learned Leader of the Opposition says is what he understands the Select Committee is going to do, it did not do that at all; it left the relationship unchanged. All it did was to say that whereas before properties built before 1940 had been controlled and those built after 1940 had been freed, we are now going to introduce a measure of control for those that have not been controlled before, that is all the amendment did. That is an area which is growing quite substantially by older properties being converted and modernised rather than by the construction of new property. When we are talking about new construction we are talking about three or four hundred houses only out of a stock of 2,500 in the private sector. I think that should be preceded with, I think the Government should take into account the representations that it has had from the Action for Housing Committee supported by 6,000 or 7,000 signatures as to what further should be included in it and then take a look at the whole question of the Landlord and Tenant Ordinance and the relationship between landlords and tenants following the views put to the House by the Select Committee at which stage, when that stage is arrived, certainly I shall be putting the views of my Party or we may even decide to put our views at an earlier stage to the Select Committee but that is our position at this stage.

HON A J HAYNES:

Mr Speaker, I would like to make a small contribution. Mr Speaker, may I say that we on this side of the House read this motion with some trepidation for the reasons that Mr Bossano

has stated in giving his explanation for refusing to go along with this motion, is any attempt to water down his own Party views on the matter is anathema to him, I suppose, but nevertheless I feel he has gone on to state and to make a very good case for the very reason why we will participate in a Select Committee to amend the Landlord and Tenant Ordinance. I think the importance of the Landlord and Tenant Ordinance of Gibraltar cannot be overstated, the need for revision is clear to all and I think this revision must be given all the help and the people that are to revise the law must be given all the encouragement possible in order that the result be one equitable to all parties and that, primarily, is why I would like to make a contribution at this stage of the debate because I would like to hear it from the Members of this House who are going to vote in favour of the Bill, their sense of hope and trust in a Select Committee. I would like to hear them give their encouragement to this measure. I would like to make it clear also for the record, I do not think this is the intention of the Government, but I would like to make it known that from our point of view or from our side of the House, neither Mr Loddie or myself are going into this Select Committee in order to effect a whitewash for Government. We, and I trust that this is also the view of Government, we will be going in there to study in detail and in depth the amendment of this legislation and I hope we will have the courage to go through with what we really believe to be necessary in order to result in equitable reform. I would also like reassurance from the fact that our studies and our investigations can be as thorough as we would like them to be. As I understand it, the areas in the legislation are the pre-war unfurnished flats, furnished accommodation, business tenancy and the landlords and on the other side our aims are to encourage development, to ensure a realistic and an equitable protection and to ensure also a fair rent. It is not my intention to make the landlords into a scapegoat or to make them by statute into a welfare state and neither is it my intention to allow the genuine and escalating problems faced by the tenants to remain as they are. As I see it, Mr Speaker, it is going to be very difficult to reconcile the different political views . . . .

MR SPEAKER:

I do not think we must say anything now which might inhibit the work of the Committee.

HON A J HAYNES:

I just wish to make clear the extent of the problem and the hurdles that are facing us. As I understand it, it is going to be very difficult to see the best path when there is going to have to be a compromise forced on the various different parties and the various different equations as listed in my list of ingredients but in the same way that through unity, on the matter of British Nationality we have carried the day, I

believe that through unity in this House and with the good will on all sides and with determination to reach the bottom of this matter, to investigate it fully, I think that we will be able to produce legislation which is seen to be just as well as being just. I would also like to hear from the Chief Minister, in particular, the time which it is proposed for the Committee to take in this matter, whether . . . .

MR SPEAKER:

No, I am afraid that there again it is a matter for the Select Committee to decide.

HON A J HAYNES:

On a point of clarification, Mr Speaker. Will the Select Committee be empowered to assure that it has priority, say, in sittings in this House?

MR SPEAKER:

The Select Committee will govern its own procedure, the Select Committee will decide when and how to meet, it is their prerogative to do that and not for this House to tell them how to do it.

HON A J HAYNES:

So, in fact, it would be empowered to assess and dictate the pace of its progress.

MR SPEAKER:

Most certainly, yes.

HON A J HAYNES:

Mr Speaker, I did mention this because I am aware of the considerable secretarial and other difficulties facing this House at present.

MR SPEAKER:

May I, perhaps, say that provision will be made in that respect as far as secretarial work is concerned.

HON A J HAYNES:

My comments have been prompted by the proposed interim Bill which as the Leader of the Opposition has stated it was our intention also to adduce. I feel also again on this point certain hope for the Select Committee in that we have obviously been thinking along the same lines till now, we have also considered the problems which exist for the interim period and

I am happy to say that Government and ourselves have been thinking along parallel lines and that therefore here, in the very first step, we are in unity. Mr Speaker, as I was saying, the Bill is for a period of six months.

MR SPEAKER:

I did stop Mr Bossano when he spoke on the Bill. I think to the extent that it might affect the workings of the Select Committee, it is relevant, we will discuss the Bill on the First and Second Reading.

HON A J HAYNES:

I am really concerned with the time of the Bill. Our proposal had been for a year, an interim period of a year. We feel that to be realistic, for the Select Committee to analyse the problem in depth and to make its recommendations will take at least a year but obviously every effort will be made to expedite the matter. Also, Mr Speaker, from my understanding of the motion and I hope this is the correct interpretation, we will not as a Select Committee be bound in any way to the draft Bill which was produced in this House in July of this year but we will be free to point the legislature in the direction that we consider as a Committee and that therefore we will not be bound in any way by this previous Bill. As I say, Mr Speaker, despite the risks associated with any attempts to tangle with this legislation which, as I say, from the position of an Opposition include the risk that the kudos will go to the wrong party which from the Opposition's point of view also resulting in a minority in the Select Committee, may mean that your ideas may not be fully incorporated. Nevertheless, in spite of all these considerable checks or drawbacks we feel that it is our duty to take up the invitation from Government on the understanding that the goodwill which will be necessary to succeed will prevail from all parties and we for our part as a measure of our goodwill accept the invitation, we endorse the motion and we look forward to meeting as a Select Committee.

MR SPEAKER:

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

HON CHIEF MINISTER:

Mr Speaker, I will deal with the last speaker first, I will deal with Mr Bossano's argument later. I am glad of his remarks at the latter part of his intervention because at the beginning I was wondering whether pre-conditions were being put to his forming part of this Select Committee. As far as I am concerned I dealt with his Leader, we agreed on the terms of the Select Committee and on the composition and that is

that, it is for the Select Committee to decide its procedure, the frequency of its meetings, the extent of its intervention and whether they want to take into account the Landlord and Tenant amendments or not, they are not part of the thing, no doubt they will look at that as they will look at everything else. There is no question of other Members of the Select Committee appointed to come out now and say what their views are because then the whole purpose of the Select Committee would be frustrated. The Select Committee is a powerful Committee of the House with proper representation of both sides, if they do not agree they can always come back to the House, if any Member one way or the other were trying to drag his feet in order not to bring about any amendment or not to bring about any recommendations they could refer back the matter to the House and I think, with respect to the Honourable and Learned Mr Haynes, despite the fact that he belongs to one Select Committee already he does not seem to be very well aware of the extent of the powers of the Select Committee and the freedom that it has as to when it meets and so on, it is not for me to say. Anyhow, I am glad that he finished up with, first of all, the fact that we are thinking parallel in other respects and, secondly, that he hopes that there will be cooperation as I am sure there will be. The question raised by Mr Bossano with regard to the fact that the Government should have a view and should have gone ahead with its own view of the study, is a dogmatic one, I would say, and it goes against the spirit that he always argues in this House about the open Government which is really what we tried to do with the Bill that we published and had its First Reading not to go into its Second Reading in order to give the people an opportunity to express their view. It may well be that in some respect it is a matter of ideology but the point is that there are dimensions in the problem in Gibraltar of housing that do not exist elsewhere. It has been mentioned, I think rightly, by the Leader of the Opposition that on the one hand you have to look after the interests of the tenants, on the other hand particularly at the time which we are going through, we must be careful not to deter people from investing in Gibraltar by too many restrictive practices that would not allow them a reasonable return for their investment. It is difficult enough to get people interested and coming to invest in Gibraltar and we have to be careful whilst protecting tenants in every reasonable and equitable way not to deter the people who can come and activate or reactivate or make a contribution to the general economic life of Gibraltar which is increasingly necessary particularly now with the possible effect of the Defence Review so that the balance is very difficult and it is not for a Government dogmatically to take a view and go through with it.

HON J BOSSANO:

If the Honourable Chief Minister will give way. It is very welcome for this Government or any other Government should

not dogmatically push its view through but listen to what other people have to say. Presumably, it is correct that the Government should have a view and that the Government should make its view known and then be prepared to listen to reactions to that view and be prepared to modify its view.

HON CHIEF MINISTER:

In so far as the views of the Government at the time, they are reflected in the Bill that was produced. Whether that is good enough for the Honourable Member or not that is not a matter for me but there were reflected the views of the Government at the time it was done. That has generated an element of awareness on the part of tenants and on the part of landlords as to the problem and has made a lot of people think one way or the other. I think for that we must be grateful to the preparation of the draft Bill even if it is only that it has generated a considerable amount of objection of one side and the other and when I see both extremes worried then I think we may have got it about right. It is an indication I think of the fact that it is a difficult problem, there are conflicting interests, it is necessary to amend the law, I think generally, we have had amendments to the Landlord and Tenant Ordinance but there has not been a Select Committee for about 20 odd years, so it is necessary that this matter should be looked into. The virtue of a Select Committee, apart from considering the matter, is that they can hear different views and then give weight according to their judgement, to the value of those different views because no doubt the views that have been expressed by both groups that have been created or generated as a result of the draft Bill have taken, if I may say so, rather extreme views and there must lie somewhere along the line a reasonable approach that will safeguard the interests of tenants in the difficult situation of Gibraltar and at the same time not discourage development and also give the new developer or the person who has property and wants to spend money on it to improve it, a reasonable return for his investment. We are still in a capitalist state, we haven't nationalised housing yet though we have a considerable amount of it, we do not propose to take over private housing and therefore private landlords have got rights that must be respected and tenants of private dwellings must also have rights that must be respected. It is therefore necessary to have a Select Committee, it has been agreed between the two parties, and I just confirm my original motion.

Mr Speaker then put the question in the terms of the Honourable the Chief Minister's motion and on a vote being taken the following Honourable Members voted in favour:

The Hon I Abecasis  
The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone

The Hon Sir Joshua Hassan  
The Hon A J Haynes  
The Hon P J Isola  
The Hon A T Lodd  
The Hon Major R J Peliza  
The Hon J B Perez  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon D Hull  
The Hon R J Wallace

The following Honourable Member voted against:

The Hon J Bossano

The following Honourable Members were absent from the Chamber:

The Hon G T Restano  
The Hon H J Zammit

The motion was accordingly passed.

HON CHIEF MINISTER:

I now beg to move that the following members should be nominated to the Select Committee of the Landlord and Tenants (Miscellaneous Provisions) Ordinance in accordance with the terms of reference, and that is:

The Honourable M K Featherstone  
The Honourable D Hull  
The Honourable J B Perez  
The Honourable A T Lodd  
The Honourable A J Haynes

This has been the subject of discussion with the Leader of the Opposition and I beg to move.

MR SPEAKER:

Can the Honourable the Chief Minister confirm that the Members mentioned have signified their willingness to serve?

HON CHIEF MINISTER:

I have had it signified from the Leader of the Opposition, I haven't asked them individually.

MR SPEAKER:

Fair enough.

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

HON P J ISOLA:

Mr Speaker, I should say that when I was asked to nominate members from the Opposition to sit in the Select Committee I did ask the Honourable Mr Bossano as to whether he would wish to be considered for the Select Committee on the Opposition side and he declined because he said he was proposing to vote against the motion for a Select Committee. We support the motion with the two members from this side of the House who have been mentioned in the motion sitting as our representatives on the committee.

Mr Speaker then put the question in the terms of the Honourable the Chief Minister's motion and on a vote being taken the following Honourable Members voted in favour:

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

The following Honourable Member abstained:

The Hon J Bossano

The following Honourable Members were absent from the Chamber:

The Hon G T Restano  
The Hon H J Zammit

The motion was accordingly passed.

HON CHIEF MINISTER:

Mr Speaker, Sir, I have the honour to move the suspension of Standing Orders Nos 29 and 30 in respect of the Landlord and Tenant (Temporary Requirements as to Notice) Ordinance 1981.

Mr Speaker put the question which was resolved in the affirmative and Standing Orders Nos 29 and 30 were accordingly suspended.

#### BILLS

#### FIRST READING

THE LANDLORD AND TENANT (TEMPORARY REQUIREMENTS AS TO NOTICE) ORDINANCE, 1981.

HON CHIEF MINISTER:

Sir, I beg to move that a Bill for an Ordinance to make temporary provision in respect of contractual and statutory landlords and tenants, relating to the period of notice required to increase rents and terminate tenancies, and to 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 CHIEF MINISTER:

Mr Speaker, I was going to say that it had become a convenient time at which not to take the Second Reading and I suggest that we have the lunch adjournment for Members to look at the Bill and we will be quite happy to hear any views within the parameters of the Bill before we go into Second Reading in order that we would save a lot of time. We have done this at short notice and we are quite open to listen to any views within the general parameters of the Bill before we take the second reading.

HON P J ISOLA:

I think we would like to consider it. I am not sure whether the lunch break would be enough. I was just wondering whether perhaps we could proceed with the other business to give us a bit more time.

MR SPEAKER:

There is no reason why we should not do that.

HON P J ISOLA:

The Honourable Mr Bossano mentioned the idea of possibly coming back half an hour later this afternoon. But I don't think we will be able to do it in that time.

HON CHIEF MINISTER:

I think it would be better if Members had it overnight I am not prepared to rush through a thing like this.

The House recessed at 12.40 p.m.

The House resumed at 3.10. p.m.

#### PRIVATE MEMBERS' MOTION

HON W T SCOTT:

Mr Speaker, I beg to move the motion standing in my name:  
"This House is deeply concerned with the existing unemployment

situation in Gibraltar and urges the Government, as a matter of the highest priority to action the measures necessary to lead to full employment in Gibraltar". Mr Speaker, this motion is purposely phrased covering the widest possible terms and I hope as with the motion this morning, that the Government might perhaps recognise the existing unemployment situation, will see its way to supporting the motion. I had hoped also that the Honourable Mr Bossano would have been present not only to listen to my contribution but also to make his own. I hope that in fact he will be able to come in the next half hour or so. Mr Speaker, this motion does not say that it deplores the inactivity of the Government, this motion does not censure the Government, this motion just recognises what I feel is an already existing situation and that is the unemployment situation if one is to judge by the public figures given monthly from the Department of Labour and Social Security. If we look at some figures of a year ago, that is September, 1980, we find that the total unemployed personnel were 241. A few weeks ago, at the end of last month, this figure progressively rising over the last 12 months has now reached 400 the greatest of which are the juveniles where last year at the end of September we had a figure of 67 and by comparison at the end of last month they shot up to 105. On this point I remember distinctly a few weeks ago when the Minister for Education and Labour and Social Security had occasion to appear in an interview on television, and I was a little bit surprised because he did not seem to recognise a situation which had been there and was rising and had been rising over the last few months. He seemed to think that at the end of every summer we do have a number of school leavers who for reasons perhaps of wanting to enjoy their last summer holidays after having left school, do not look purposely and objectively for employment until perhaps the end of August or the beginning of the next school year and I think and I am sure he will correct me if I am wrong, that the figure we used at the time was that there was always something like 20 or 30 youngsters involved. These 20 or 30 is certainly not reflected in the last public figures given by his department. Perhaps he was trying to minimise publicly an already existing situation, that is of course entirely his own prerogative. With respect to young people, Mr Speaker, I did move a motion in this House in November of last year where my original intention, and it is still an objective of mine, was to have a form of commitment not only from Government but through Government from all official employers to enter into commitment to train young men and perhaps young women as well who have not been found wanting in the skills required for industrial training leading to a full craft apprenticeship course. As events have turned out, and I accept this, that has not been possible to the extent of a four-year course. It has been limited now to a one-year industrial training scheme but I hope that when this scheme eventually gets off the ground, and we have been led to believe up till last

Monday that this scheme was envisaged to have been started this last September, whether or not, as I think one of the headlines in the Chronicle had this morning: "I don't want to make things easy for the Dockyard". It is not as far as I am concerned in this particular point, not trying to make things easy for the Dockyard but making things less difficult for those young men. I recognise the problems involved and realise that perhaps a step by step approach was necessary and more to the point at the time, but my final objective has not changed. In time to come, when this course has taken off, I hope to come to the House again in a motion to propose my final objective once again and I hope the Government, having had the experience of this one year industrial course, will find a way in which we can move forward into the next step. By so doing I would not want to commit ourselves at this stage, as far as the Honourable Member who should have been on my left now, in committing the Government after an apprenticeship course has been given and has taken place over the last four years or four years prior to that, to commit the Government necessarily to employing that new craftsman the same as the Government cannot commit itself to employing a recently qualified doctor which the people of Gibraltar have assisted in training this young man through a mandatory scholarship. I say this, Mr Speaker, and it is not at a tangent, it is a very integral part of my motion because I did ask a question on Monday as to whether or not the Construction Industry Training Centre was being fully utilised. I recognise that there are only four trades that are catered for there but it seems to me that the numbers that could be catered for at that centre falls far short of the ones that are actually being trained and there is certainly a lot of scope left that the Construction Industry Training Centre could be utilised for and perhaps with that added experience leading to other areas in which not only young people could be trained not only in skills but also in environment but some sort of re-training could take place, given what we are now going to expect sadly the effect of any proposed cuts in the Dockyard as a result of MCD spending. I have been attempting but sadly I have not had any feedback on a paper submitted to the Honourable Minister, I think by the Honourable Mr Bossano, dealing with young people and an opportunities programme. I have asked for a copy of this paper or a meeting with the Honourable Member but unfortunately it has not been possible for him to meet me. Although in principle one would agree with a programme of this nature, what one still has to be convinced about, not knowing the exact details, is that which the Honourable Minister said on Monday in answer to, I think it was a supplementary promise to Bossano on some other matter, that the Government had agreed, in principle, to increase the value of insurance stamps to all employers to help pay for the scheme. I am looking forward to some form of scheme from the Government, particularly to the young people, something of the nature of what has been running

reasonably successfully in the United Kingdom, the Youth Opportunities Programme, which I think was introduced by the Callaghan administration. I might warn the Government that there are certain pitfalls involved here because, as I understand it, one of the major problems involved in that particular programme was that given a background of the unemployment problem in the United Kingdom where there were a substantial number of redundancies of craftsmen and other workers, both blue collar and white collar workers, heads of families, family men with children and so forth, it was found that some employers, precisely because they were receiving financial aid in wages and salaries for these young people, decided that it was far more economic for them to employ young people than it was to declare an old established worker with 15 years service, to declare him redundant, pay him the redundancy pay and then employ the young worker. There is a very major pitfall with this that the United Kingdom Government has already gone through and in fact I understand that it was a Labour Member of Parliament who introduced a motion at the last Labour Party Conference precisely to scrap that scheme in its totality. I have no idea what result it had. Generally, Mr Speaker, I think that after this proposal of a type of Youth Opportunities Programme, there are other areas as well that Government ought to look into such as the re-training of older personnel and so forth, not necessarily restricted to the youth. On that, Mr Speaker, I see that in a memorandum that the Transport and General Workers Union submitted to Government which was published in the Chronicle, in principle there is very little that I personally in fact could disagree with. But in reality there is one point which appears I think towards the end, talking about the lowering of the retirement age or the pensionable age, from 65 to 60. I am sure the Government has already made its representations known to the Union but if it has not I am sure that they will say that there are several enormous pitfalls involved. We already have a situation where retirement age being at 65, there are a substantial number of people in receipt of pensions who are re-employed both at public sector level and private sector level who have a second source of income thus perhaps doing the younger man out of the job that he in other circumstances would legitimately aspire to. The issue of course will be further complicated if the man is now 60, not 65. The man who is now 60 thinks perhaps and rightly so that he can still make a valid contribution to the society that he forms part of but it must be weighed with the background of this increasing unemployment situation that we are facing and will continue to face in Gibraltar unless some positive action with a substantial amount of vigour and commitment is initiated by the Government. The further setback of course to this lowering of the retirement age from 65 to 60 is that it is alright in principle and as a long-term objective. But what would be the consequences to the Social Insurance Fund even if it staggered over a period of years lowering, say, on the first year from 65 to 64 and progressively so on? Does this not mean surely that either the Fund will

lessen or that perhaps greater contributions will have to be made, and very substantial ones at that, will have to be made by the contributors to the Fund who very naturally will grow lesser in number. Talking about pensioners and second jobs after retirement and so forth, leads me to a circular that the Government passed round to all civil servants on their possible business commitments. I personally and my Party would agree to that circular but we wonder in fact whether it goes far enough. We wonder whether it should be restricted to the white collar workers, we wonder whether it should not also encompass the industrials, the blue collar workers, and I say this because in private industry, particularly in the construction business, there are a substantial number of either business name partnerships or limited companies that are registered and licensed whose directors, shareholders and operatives are full-time blue collar workers of the Government. They therefore have two bites at the cherry; they get their security guaranteed by the employer, the Official Side, and they also can come into open competition with their fellow workers in the private industry and this is happening and has been happening continuously now in ever increasing numbers for a substantial number of years. They are having the cake and the poor industrial in private industry has to work hard for his bread and butter and perhaps have his job at stake as well. Mr Speaker, on Monday I also asked a question of the Honourable Minister for Economic Development about the grave consequences as we see it on our side of the House, of the next development programme not dove-tailing into the present one and the possible very grave consequences that it will have to the construction industry where I would have thought we should have been looking at the situation where a very major part of that construction industry are locally trained people, people who do not come here for a year or two and we are grateful that they do but, hopefully, should be looking at a situation where we can provide the needs of the community using our own resources and if we cannot guarantee some form of security in employment to these people that we have trained, to these people that the public have spent a lot of money in training, surely we will come up to a situation where we will again and again have carpenters, joiners, plumbers, electricians, painters, having served their apprenticeship perhaps some of them coming into the industry and then perhaps after two or three years there is no job for them in that trade and then they join the Police Force or the Fire Brigade and so on. This trend is still there and there is also a lot of moonlighting been done which acts to the detriment of the people still employed in the construction industry and I would have thought that Government would be looking to a situation where it could guarantee some form of tenure of security in employment. There is also another great danger with this employment, Mr Speaker, with the development. Development not only has people in employment in the construction industry and so forth but it also does

another thing to the economy. Government directly and indirectly accrues a lot of money through direct and indirect taxation and the more money that is spent in the construction industry, in the economy, the more money Government receives, it is a simple arithmetical formula. The less money spent obviously the lower the yield so we are looking to a possible very highly dangerous situation where unless that money is available to be spent in construction, in development, are we not looking perhaps of whether the Financial and Development Secretary can balance his books or can come up to this House at the next Budget session with perhaps not having this development money available to spend, saying: "All these services will have to be paid for, so the taxes have to be raised, the money has to be raised in some other form," and we will have a situation of increased taxation, increased money for services and so forth. The greatest danger of all, Mr Speaker, and that is perhaps why purposely I have left it to the end, is the possible effects of the MOD cuts in the Dockyard. I have not obviously read the document, I hope to in days or weeks to come, and the proposals contained therein, but I think this motion is even more timely if one is to consider it in the light of Government having received and read that particular document. I hope that when the Government have read it, taking into account all that has been said and will be said this afternoon, that they can affect with some form of vigour, not, with respect, the reluctance which I felt, I might be wrong, that the present Minister for Education and Labour and Social Security seems to have in introducing this industrial training programme. I hope that they will approach this with the vigour and the commitment that it rightly merits. I will be very interested to hear what other members have to say, particularly the Minister for Labour and Social Security, and what proposals he has already made or will make because let us not be under any illusions, Mr Speaker, the commitment and the executive of this House is on that side, they are the ones that govern Gibraltar, not on this side. Mr Speaker, I beg to move.

Mr Speaker proposed the question in the terms of the Honourable W T Scott's motion.

HON MAJOR R J PELIZA:

Mr Speaker, I think it is fair that some other member on this side should speak if the Minister responsible for Labour and Social Security is going to be the only one to stand up and answer, although I hope that by the time I finish I might have been able to draw other Ministers out. First of all, I am extremely pleased that my Honourable Friend has thought it opportune to raise this matter at this meeting of the House because although one might say the situation is not serious it is clear the tip of the iceberg is beginning to show. I think we are all very conscious that this is not going to be an easy matter by any stretch of the imagination, it is not going to be an easy matter, it is something that bigger nations than ourselves with more resources than we have are finding it

extremely difficult to overcome, we seem to have been got into a downward spin and there is not stopping it, we seem to go deeper and deeper into recession and although directly, industrially, we are not affected I am sure that one of the reasons why we are seeing the defence cuts is simply as an indirect result of the recession itself otherwise, perhaps, the Government wouldn't have been so keen in cutting out employment, not just in Gibraltar but in places like Chatham and Portsmouth and so on. I think that whether we like it or not we have been caught in this whirlwind and we are going with it and it is going to be extremely difficult for little Gibraltar to swim out of it but I think within that context we should try and do our best to come out of the situation with as little damage and as few people drowned as possible. I am pleased that my Honourable Friend Mr Bossano has arrived because he was speaking earlier today about what can be done when there is unity and on this issue I think we are going to need more unity than ever before because it is going to very much directly affect the wellbeing of everybody in Gibraltar. I think Government can be assured that as far as the Opposition is concerned we will try and work as a team to tackle the consequences that unemployment has not just on the individual himself but the ripples that carry on and all the effects that this has on the community as a whole and it not just to do with the suffering and the hardship in the home but the moral effect that it has on the youth and also the moral effect that it has on the older people and the middle-aged and the people who are responsible with families and those who want to see the standard of living and the quality of life continuing to improve. I think this is really at the root of our society and I think that in the same way as we were able to rally together on the question of our citizenship I think more so on this occasion which is so close to us I think if we can get together we should be able to overcome it. I would say that the first thing that is required is a partnership, a partnership between industry and labour, that is of primary importance. Then of course, there is the question of understanding by Government of the problems of the people and also on the understanding on the part of the people of the difficulties that Governments necessarily find in sorting out the situation. We of course on the Opposition you might say we are sitting pretty, we might say we are neither with the people nor with the Government and we are just here to keep a very watchful eye as to what is going on, to try and use our leverage one way or another to try and get the best of the situation and I hope that this is the role that we will be able to play, if called upon, with some success. I said that I wanted to speak before the Minister for Economic Development because quite honestly, Mr Speaker, there is a conflict of interest, you might say. If we ask for more productivity in the present situation it means that we are going to have a lot of people out of work and if we don't ask for higher productivity we are going to have a rather unnecessary cost on what is produced which, perhaps, is not beneficial. This is a very tight rope that we have to gradually get across but it is

obvious that eventually the aim must be higher productivity but in the process, as we go along the tightrope, we have got to see that in the process we do not cause a lot of hardship. If we look at the report of the Public Works Department at a glance you see that productivity in Gibraltar is very low. I am not going to go into the report but I am sure that the Members who have read it have seen a number of points where it clearly says so in comparison with other communities of which I think we have exactly the same ability because I think we are just intellectually and physically as good as they are, it would be shameful if we said that we are not and yet somehow we are not getting to that level. I think this is where the partnership comes in between the union and the employers to find out how we can go across that very difficult tightrope without falling one way or the other. I am sure that my Honourable Friend on the left who has got the political knowhow of the situation and also has the Union ability as well, should be able to play an extremely important role in this difficult situation that Gibraltar is about to face in the future. In the meantime, Mr Speaker, the Government has got to find a way of cushioning the situation. My Honourable Friend here said training and retraining. I do hope that the Government can look into this fairly quickly without a lot of delay because nothing in my view is worse than having young lads coming out of school with nothing to do and some occupation must be found for them. I understand that some people are staying at school a little longer. I hope that this process is kept up and also that they are encouraged if perhaps they are incapable of finding the solution in books, that they can be taught crafts from which I am sure they will get a lot of personal satisfaction and in fact they might even be able to trade their goods for good money if what they produce is excellent. In fact I am looking to my day of retirement and I must say there are at least two of us here who are over 60 who would not like in fact to retire so early. Only me? At least the Chief Minister feels younger than 60. I don't know what the Financial Secretary thinks, he looks a lot younger, Mr Speaker. Anyway, it looks as if I am the only one of retiring age but if I can help it I won't. That is why when people are more or less compelled to retire at 60 one has got to be careful because I think it is a little bit unfair that people who like myself feel 16 at 60 should be asked to retire. Therefore it is a bit hard I think to do this to anybody and as long as they want to carry on working and being productive to society I think we should allow them to carry on. At the same time I think we should give an opportunity to those who feel like it, because obviously one of the things I do hope to do is, to do lots of things I have liked doing like painting, using my hands at crafts and so on, all this I look forward to doing some day. I think as far as those people are concerned the Government should think of how they can make their retirement much more enjoyable. I think the Minister for Education should give a lot of careful thought of what he should do for the senior citizens of Gibraltar, it is not a question of pensions, to keep them occupied in their retirement and make their retirement as

enjoyable as possible. I don't believe that this is going to cost all that money, in fact, I am sure that within the resources if they can be mobilised if that energy can be mobilised there is plenty of energy there. People are prepared to help themselves if only the Government can give them encouragement and I think that these are things that we have got to think about today. My belief always is, having been an antiaircraft gunner, that you never aim at the plane, you aim in front of the plane so you think ahead, don't look at the position as it is today, look at the position as it is going to be tomorrow. We have got the warning, we have got the tip of the iceberg there. I think we have to look ahead, give careful thought, think hard and see what we can do in that respect. One has got to accept and one has to be fair to the Government, this has come rather suddenly, it is beyond our control. MOD, DOE, PSA all those letters that we know what they mean suddenly have descended on us with a lot of terror and they say: "God knows what lies ahead for you. We are cutting, we don't even know today what is going to happen." Obviously in that respect we have to fight a battle, we have to fight a battle away from here. We are going to fight to ensure that the employment that was obviously required from Gibraltar in the past by the MOD and all the other services, that this commitment is helped by them and they can find other jobs for them. At the same time, of course, it is only fair that we should do what we can within our resources to cushion the effects, if there are going to be any or if there are not going to be any, the intermediary effects which possibly will be there. I am now going to address myself, having asked the Minister for Education to give thought to this, to the Minister for Economic Development who I think if it comes to the worst is the man that we are going to depend upon so much and I think he has proved in the past his enormous capability to resolve problems even if I don't agree with many things he does and he loses his temper with me sometimes. I think Mr Speaker, that he has got to really give a lot of confidence to those people in Gibraltar and abroad who can see that by investing in Gibraltar they are capable of getting return for their money. I say this because it has been proved clearly in the world today that at the end of the day it is public enterprise which produces results and without offending my Honourable Friend on my left, we can see clearly in the world today that it is public enterprise which is speeding the communist world so if they have been incapable of speeding themselves for about . . . . .

HON J BOSSANO:

If the Honourable Member will give way. I am delighted to hear him say so, I am fully in support of public enterprise.

HON MAJOR R J PELIZA:

I meant private enterprise. Well, perhaps he will not support me so much now but at least I got him on my side for about two seconds. It is clear that the experiment, which is purely

theoretical, has been tried for about 50 years and has been found so far, and I would not like Gibraltar to become another guinea pig, it has been proved that it does not deliver the goods and that, by and large, the standard of living in the Western World which we enjoy is much higher than that of the other side of the Iron Curtain where there are so many people wanting to come across and are shot in the process because they just do not want them to come across, a place with absolute censorship where what is happening on this side of the world cannot take place there. On our side people who we do not agree with the atom bomb are free to demonstrate but on the other side they are not. And all this freedom and wellbeing, Mr Speaker, is seen on this side of the world which we are happy to live in. I am not saying because of that that there are not many good things which in fact we utilise on this side of the Iron Curtain. You might say the Social Democrat, perhaps, is the balancing of the two, where socialism without the copybook socialist and public enterprise without the ugly face of capitalism, join together and they produce the right stew, shall we say. Within the ambit of the Western world I think that we have the right concoction, if you want to call it that, which is producing what we enjoy here today, Mr Speaker, the freedom of the wellbeing that we all enjoy in the western world. I say all this because it is going to be, I think, very much connected with ideology. As soon as we start stepping into serious unemployment there is going to be an outcry to carry out certain things that may appear to be very good in the short run but which in the long run, perhaps, will be to the detriment of Gibraltar and therefore I think we must make it clear to the world that Gibraltar is a stable society in which money can be put in and from which good results can be obtained and in its process can generate the right kind of industries and economic activity which will bring us the kind of income and therefore the kind of quality of life that we have always enjoyed and we want to carry on enjoying. In this respect I think very quickly, Mr Speaker, there are three things, Tourism, the Port and the Yacht Marina and I think the Tax Haven as well because that will employ quite a number of clerical grades.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

On a point of clarification, Sir, finance centre not tax haven.

HON MAJOR R J PELIZA:

I stand to be corrected, the finance centre. Call it what you like, Mr Speaker, but to attract companies who want to do worldwide business and want to find a place where they can have their headquarters and so forth, these four things are the ones that I would like to hear if possible, if not possible I grant it is very short notice and it is most unfair I think to demand from the Minister more than he has been capable to digest so far, but I would like to hear what promise does he see in these

four branches of our economy which could be developed and I am certainly not demanding from him, I am only saying if he can to come forward mainly to give a glimmer of hope particularly to parents. I had one who met me this morning and said: "My boy has left school and has been out of a job for one year". I don't know whether that is reasonable or not, because one has to accept it. It might be that this is the general situation or it may be just a particular situation but all I know is that he told me and obviously he is a worried man. And I can understand that that young man must feel very frustrated. This is why I am saying it is important at this stage to give a glimmer of hope. I know that the Minister always says: "You are out of Gibraltar, you don't know what is going on". But perhaps because I am out of Gibraltar and I do come about once a month, that very soon I can get the feeling of how people are thinking, how they were thinking last time and how they are thinking now. People who are here all the time perhaps don't notice it, you live with it, but I do notice it. Believe it or not, I haven't got to get to Gibraltar, as soon as I get to the air terminal in London I meet a Gibraltarian and straightaway I know what the position of Gibraltar is. The moment we start talking it is obvious that if you talk to a Gibraltarian almost certain the most important things will come first, because that is what is topical here and then you get the feel of how things are going. I think that the feel already in Gibraltar is that people are worried about employment, they believe that there is a possibility that this is going to escalate and I think that the time has come when the Government must give serious thought to this, when the Government must try and get the unions to cooperate, the Government must try and get commerce to cooperate and so create an atmosphere of goodwill on every part of our society so that we are able to tackle this very difficult problem that we seem to be heading for. I hope it is a storm that will pass by but I feel we can see the dark clouds in the horizon and perhaps the wind will not blow them towards us. Let us do everything possible to prevent it from coming our way but if it does come, let us make sure that we have secured everything that had to be secured so that when the wind does blow and it begins to rain and it gets cold we have the shelter that will see us through the storm. Mr Speaker, perhaps I have become poetical on this and perhaps it is completely out of place because it requires less emotion and more down to earth logic as my friend says although I always believe that the art of leadership in the end is whether the individual is prepared to take the plunge because if he does it with logic he will never do it. I don't think Churchill if he used logic would have fought to win the last war and I commend my Honourable Friend on my left to give thought to that.

HON J BOSSANO:

He might not have won the war but he might have won the 1945 election, Mr Speaker.

HON A J CANEPA:

Mr Speaker, I think I should express gratitude on the positive and constructive approach of both the Honourable Mr Scott, in presenting the motion, and the Honourable Major Peliza who has through his contribution rounded off the position rather better. I think I can straight away reassure the Honourable Major Peliza in one respect and that is that the Government is fully awake to the possible seriousness of the situation, that the Government has already secured the cooperation of members of the Opposition, of the Unions, of business interests in Gibraltar, the Chamber of Commerce, banking, in this Consultative Committee which has been set up for a specific purpose, admittedly, to look into the question of the Defence Review, but from there many ramifications will flow and it is an ideal forum, I think, it can become a very valuable forum not just in dealing with the specific problems of the Dockyard but with any resulting problems that could emerge from that. I think the Government is tackling the problem with vigour and we are fortunate in many respects. We are fortunate in having a Governor who feels very strongly and who takes a very great personal interest in the welfare of Gibraltar, a Governor who has tremendous energy, who wishes to use that energy and the creative imagination that is behind it, in helping Gibraltar, a Governor who knows his way around Whitehall and who is prepared to go there and fight on our behalf. And when there is leadership of that calibre I think it is a fairly straightforward business, a fairly straightforward matter for politicians and others of goodwill to respond to that kind of leadership. I think we are also very fortunate in having convinced the Honourable Mr Wallace to stay on in Gibraltar beyond his initial tour of duty and I think the House has already seen evidence of the contribution which he is making and we can be absolutely secure, I am sure, in our appreciation that he will be able to make a very valuable contribution in the future in tackling the problems that may face Gibraltar. Though I thought it was a good contribution I was slightly disappointed that the Honourable Mr William Scott in presenting the motion limited himself in the field that he tackled. He did not go far enough in dealing with other areas of the economy he just spoke about the building industry, he spoke about the problems of young people, I think he should have gone beyond that but on the other hand when the Honourable Major Peliza having followed him immediately, this is why I said that the matter had been rounded up rather better, the Honourable Major Peliza highlighted the important areas of the economy which we are concerned to expand such as tourism, the port, yacht marina facilities, a finance centre, banking and so on and so forth. Up to a point I think it is fair to say between the two interventions that we have had from the Honourable Members of the Opposition, we have a fairly good composite picture. The problem at the moment of unemployment, in my estimation, is not a serious problem seen in itself. It is I think the fears that rightly lie at the back of our minds, the spectre

of mass unemployment, which is really worrying us and worrying people in Gibraltar. At present the problem is not a serious one, the level of unemployment has increased, I would say that it has increased for three main reasons, because of the moratorium by the PSA/DOE last year, because of the delay in the dovetailing of one development programme with another and because of the general recession that there has been in Western Europe which is affecting Gibraltar. But I think if it is kept within reasonable bounds and provided our young people in particular change their attitudes as they may well be forced to do by events, the problem would not be serious. If they are prepared to consider employment of a different nature to the traditional employment, there should not be serious problems. For instance, if the frontier opens in the near future and the tourist industry benefits, as I am sure that it will, there will be plenty of opportunities for young people to take up employment in the hotels if they so wish. I am sure the Government will be able to re-introduce once again the hotel apprenticeship scheme which my predecessor as Minister for Labour, Mr Xiberras, left in the pipeline and which I was privileged to introduce in November, 1972, and which for 4 or 5 years was quite a successful scheme. If young people from Gibraltar don't take up those opportunities then labour will have to be imported either from Morocco or from Spain because the vacancies will occur, there will be expansion in the tourist industry, there will be more hotels built, I am sure. As I say, I don't think the problem at present is a serious one and the measures, indeed, which the Honourable Mr William Scott has referred to, the need to provide courses of training for young people, the need to, I think he made reference to second jobs or business activities by industrials, these are not far-reaching measures in themselves, they would not be enough to tackle a serious problem of unemployment but they would help in the present situation because the present situation, I maintain, is not such a serious one. But if the situation does worsen we will have to think about rather more radical measures more radical measures may be required. We may have to think of lowering pensionable age and getting people to retire at 60, not continue in employment with an occupational pension, a Social Insurance Pension, and a job. We may have to change our policy in respect of encouraging women to take up work because to my mind it doesn't make any sense whatsoever to have the male breadwinner in a good job and his wife working as well when another male bread winner is on the dole, this doesn't make sense so we may have to reappraise such policies as the situation develops. I hope we won't have to because if we do change it will be because we are faced with a serious problem. I think Major Peliza is only correct when he says there is an awareness amongst ordinary people in the street, that they are worried, yes, but that there is an awareness of the full seriousness of the problem that could emerge I am not sure that there is. I have seen the attitude that, well, we don't really have the problem because we have got 3,000 immigrant workers, that we don't have a problem in the Dockyard because, surely,

it is going to be the immigrant workers that are going to be the first ones to be made redundant. No, because the spread of skills is such in the Dockyard that an unskilled Gibraltarian may become redundant before a skilled Moroccan or a skilled Portuguese or what have you. It is in that respect that I think the people of Gibraltar do not fully understand the nature of the problem, the inter-relationship that there is in the employment situation and I think that we have a duty to educate them, we have a duty to try and make them understand what could be the underlying causes of unemployment and that the principle, the policy of priority of employment for Gibraltarians has got certain constraints though it is a policy that we all subscribe to, in its implementation there are certain constraints which may require Gibraltarians to be unemployed for certain periods of time when there are outsiders who are in employment because they have got certain skills which our Gibraltarians do not have. There are going to be problems of retraining, perhaps, and that will take a certain amount of time but I do want to reassure the Honourable Major Peliza in this respect, that for our part in the Government I think we understand the nature of the problem and I think we have the plans to make major inroads into that problem. We have short-term plans, we have medium-term plans and we have long-term plans.

HON MAJOR R J PELIZA:

If the Honourable Member will give way. Are these plans in agreement with the Unions or purely plans that have not been consulted with the Unions yet?

HON A J CANEPA:

I didn't want to preempt my Honourable Friend Major Dellipiani but the Government has already had a meeting with the Transport and General Workers Union specifically on the issue of unemployment, the memorandum that they submitted, and as I say there is representation of the Trades Council in the Consultative Committee on the Defence Review and therefore by having brought in the Trades Council at an early stage in these matters I think the right climate has been created for fruitful discussions with the Unions. I hope that it has, I believe that it has. Already in this meeting we have spoken about a number of schemes and proposals that will provide work for the building industry. There is the development Programme that I said on Monday is designed to inject capital expenditure into the building industry of at least equal magnitude to previous building and civil engineering works programmes. There are a number of schemes in the private sector which may get off the ground soon, over the next few months, which are of a medium-term nature and some which are of a more long-term nature and I would like to deal with some of these. I have mentioned the minor schemes in my statement but the Buena Vista Cottage scheme is one which could get off the ground within six months. If the indications are more, how shall I say, encouraging in respect of the opening of the frontier, I think there will be developers

interested in developing that side because one of the things we have become aware of in the Development and Planning Commission is that there is a requirement in Gibraltar for office accommodation, on the one hand, by people interested in developing Gibraltar as a finance centre, banking activities, insurance, and there is hand in hand with that a requirement for more housing accommodation for the managerial staff that would come to Gibraltar to head such enterprises. Some of the schemes for private sector development that we have in mind, the mix of development that we are inviting people to submit proposals for, are geared to meet that requirement. Buena Vista, I think could provide reasonable housing for, in some cases, outsiders who are looking for housing in order that they can come and work in Gibraltar to develop this aspect of the economy. The Woodford Cottage scheme is one which could get off the ground within six months and will inject about £2m of expenditure into the economy. There is a scheme that I haven't mentioned as yet in Gardiner's Road, west, involving the building of over 30 flats and outline planning permission has already been given by the Development and Planning Commission subject to some minor reservations. This is a scheme which again I very much hope that it will soon get off the ground but there is an underlying problem at the moment, I think, about investment and that is the uncertainty. I think before the signing of the Lisbon Agreement people knew that they were planning in a closed frontier situation. If the frontier had opened by now our planning would be in an open frontier situation but I think we have been bedevilled in the last 18 months by this uncertainty. The worse thing that could have happened, to my mind, for our economic planning in Gibraltar is the uncertainty that has surrounded us for 18 months. That is one respect in which I, as Minister for Economic Development would welcome the opening of the border because then at least we and developers would know against what background they were planning. Hotel development schemes like Parsons Lodge don't get off the ground because of this uncertainty. Kaida Vale again is bedevilled by this uncertainty and this is what I feel is delaying the implementation of these schemes and is holding people back. In the Command Education Centre we want to see a scheme that Gibraltar can be proud of, that will embellish a key area of the inner city, that will provide a mix of commercial, residential and touristic orientated development and again it is this dimension of an open border which I think is required to give it the necessary fillings. Some of these schemes are of a medium-term nature. The two major schemes that I would say are of a long-term nature are the reclamation scheme of the east side of the Rock which could involve a touristically orientated complex and yacht marina and repair facilities that we think in the Development and Planning Commission would entail a population there, a transient population, perhaps, of well over 2,000 people and the spending capacity of those people would be of great benefit to the economy. I think it is well known that yachtsmen spend a great deal more money than your ordinary package

tour holiday maker. Another long-term scheme, perhaps even medium-term depending on how quickly we can make progress is the one that was referred to yesterday in the debate on the Ice Box, the development of the Bonded Stores. That, I think, has great potential again this mix of development that one has got in mind because we feel that that is what Gibraltar really requires. Schemes are rather more viable, they become more viable when there is ancillary development that will complement the main development. This is the approach that we have with respect to the Casemates multi-storey car park, where ancillary commercial, office, residential, accommodation will make a scheme that would otherwise in itself not be viable because multi-storey car parks are not considered to be viable in themselves. The Port is a key area in the Government economic thinking. We already have provision in the 1981-86 Development Programme and we are looking to quite a few million pounds from the British Government. We think our prospects are good because it is revenue producing and we hope to tackle the reclamation scheme in the Port, starting off with Waterport Basin because of the problem of the viaduct, and going on beyond that over a period of time. The strategy is spelt out in the Port Development Scheme, I think it is a sensible strategy and the first phase could very well come in over the next 3 or 4 years which will provide the facilities in Waterport Basin for the ferry services. As I say, Mr Speaker, I am confident that we know the direction in which we want to go. The interest is there, the energy is there, the team-work is there. I feel that I am working very well with the Financial and Development Secretary and with the Economic Adviser, we see eye to eye on many things; we are ad idem in many respects, the ideas are there, they are on the drawing board and what is really required is that the confidence which I think a lot of people have in Gibraltar because they do, the Chief Minister and I had meetings the other day with American businessmen who are interested in developing our trans-shipment potential. And why do they want to come here? Because in Gibraltar you have stability and you have a friendly Government. That is a very positive aspect and I think that if the problems that the Defence Review may pose for Gibraltar can be tackled with imagination, we have every prospect of securing our economic future not just in the short-term, not just to deal with a minor problem of 300 people unemployed but to give real prospects to our community of prosperity and full employment, I would say, for Gibraltarians for many decades to come.

HON J BOSSANO:

Mr Speaker, I propose to move an amendment to the motion so do I speak on the amendment or do I speak on the motion?

MR SPEAKER:

I would suggest, if you do not want to lose your right to speak on the motion as it stands, that you speak on the motion and then move the amendment. Then you can speak on the amendment.

On the motion, clearly, I support the motion as it stands, my amendment is not, in fact, to take anything away from it but simply to add a further sentence at the end, seeking the support of the House for the proposal on the levy which I will explain as I read the amendment out. On the motion as it stands I support it completely but what I question is what full employment means and I find it very surprising, for example, that the Honourable and Gallant Major Peliza should stand up to make a very emotional speech in support of a policy that to my knowledge is only advocated throughout Western Europe by socialist parties and, if anything, by the left wing of socialist parties. I am not aware of any Social Democrat in the United Kingdom or of any Liberal or any Conservative anywhere in any Parliament in Western Europe that believes that it is a legitimate objective of Government to achieve full employment. In fact, we are seeing massive unemployment throughout Western Europe because most Governments believe that full employment is unattainable in the free market system because full employment in the free market system, so these people argue, inevitably generates inflation in that the pressures drive wages up. I think the existence of unemployment is not just a coincidence, it is the result of the move towards an ideology which is neo-classical in economics, it is a return to pre-Keynesian in economics and it is leading us now in the 1980's to the sort of situation that we had in the 1930's. Gibraltar has been sheltered from the world economic environment, we have been cut off from it, and when we are talking about full employment in Gibraltar which as I say I support fully as an objective of Government, we have got to understand that what we are saying is in fact that the Government, as far as I am concerned, should be embarking on a socialist programme of economic management where the creation of jobs is an end in itself and that runs contrary to all the theories that I have ever been taught in economics concerning how the capitalist system is supposed to work and function properly so I find it, to say the least, confusing that the Honourable and Gallant Major Peliza should at the same time denigrate the potential for public enterprise and say that the answer lies in private enterprise, he kept on saying public when he meant private, of course, that is why I was able to jump up and congratulate him on it, but on the one hand to say that public enterprise has proved a failure and yet talk about full employment. If we are talking about full employment what happens if private investors are not interested in investing? Because let us face it, Mr. Speaker, the man that invests his money in a business is not doing it for the purpose of creating jobs, he is doing it for the purpose of making money. A businessman will not come to Gibraltar and invest money in Gibraltar unless the return he gets on his capital in Gibraltar is greater than the return he gets on his capital elsewhere. And whether it creates one job or 100 jobs is irrelevant from the point of view of a private investor. Generally speaking, the creation of jobs for the sake of

creating jobs has only been achieved in any Western European capitalist economy by the expansion of the public sector and no other way. I think in those considerations one has to understand the concept of wealth creation that we are expected to accept in the West without question and I think a great deal of the problems faced in Western economies my objective in this motion is not in fact to cure the economic crisis of capitalism throughout Western Europe, just in Gibraltar, Mr. Speaker, but I think a great deal of the problem stems from the definition of wealth which we have so that in fact we improve our educational services that does not necessarily show up as an improvement in the standard of living but if we pollute our streets even more by jamming even more cars than it does show up as an improvement in our standard of living. I believe that as long as the ethos of the consumer society is the main objective that we set ourselves, not only is full employment an impossibility but if it were even to be achieved it would be achieved by even lowering more the quality of life. Where people recognise that an improvement in the quality of life is an improvement in the standard of living, then it is possible to create jobs in the public sector where the employees in those jobs are providing services to other members of the community and those services that are provided must be seen as contributing as being wealth creation, as being a part of the wealth of the community. So that in general terms I would say that it is an attainable objective provided we understand what it is that we are seeking. I think it is not attainable if we are talking simply of generating jobs by building more car parks to house more cars so that people who build the car parks then buy more cars and we seem to be entering into a never ending spiral. I think the area of education, the area of social services is the area of expansion of wealth and of job creation that the Western economy should be looking for and I should say that Gibraltar should be looking for in tackling unemployment problems. I think another important consideration, a word of warning if you like, Mr. Speaker, on the concept of full employment is that we have got a commitment under our obligations through the Treaty of Rome to allow all European nationals to seek employment in Gibraltar and I don't think one can ask the Government to take on the task of providing seven million jobs. I think when we are talking about full employment, who are we talking about and, clearly, we could not undertake to provide full employment with an open tap supplying labour because then as soon as we created the jobs there would be more people coming here to seek jobs and consequently the unemployment queue would be never ending. I think in terms of planning our own economy, in order to create full employment, of necessity we must be limiting our size to creating employment for what would be the natural rate of growth in the supply of labour using the word "natural" in the same sense as one uses it in terms of population growth, that is, the natural rate of population growth would be the growth of the local population by the excess of births over deaths and I would say that the natural rate of employment growth would be those who enter the employment

market after leaving school and the excess of those who enter over those who leave the employment market through retirement and so on. That is something that can be quantified using demographic data showing us the level of population in a number of years ahead we can then plan to bring together supply and demand in labour but this is without taking into consideration an influx of labour from outside the economy of Gibraltar which we at the moment do not seem to be able to do anything to stop, which could become a serious threat to economic stability in Gibraltar in an open frontier situation and which no Government in Gibraltar can guarantee jobs for. Therefore, in dealing with this matter with the highest priority I think the Government does not only need to look at specific measures such as the one I shall be making reference to in the amendment I propose to move, but also I think the Government must give a sense of urgency to the Committee that was set up following my motion in the House something like 18 months ago, Mr Speaker, on the need to protect the economy of Gibraltar in the advent of Spanish entry. I think we need really to get that moving and to see how the employment situation in Gibraltar would be affected and particularly whether frontier workers have got an automatic right to go across the frontier and register as unemployed because then if that happened then to talk about full employment would be absolute nonsense. No Government, whatever its policies, whatever its ability to manage the economy, could handle a situation like that I would say that as far as I am concerned, in reading this motion and in supporting the motion, one interpretation I am putting to it additionally to that which the Honourable Member has put on it, or he may have thought of that as well, I do not know, is that we should be looking very seriously at that as one of the measures that we need to take in order to ensure full employment in Gibraltar because full employment in Gibraltar means planning the economy so that the jobs are there but also ensuring that Gibraltar is not flooded with labour over which we have no control. In looking at the actual unemployment situation let me say, Mr Speaker, that I cannot share the confidence expressed by the Minister for Economic Development, nor do I share the view of the Honourable and Gallant Major whose heart is in the right place, and I have no doubt that, but I do not think it is enough to say: "We are going to win the war, we are all very enthusiastic, we will fight them on the roof tops, we will fight them in the streets and that is it". That will not, I am afraid, create the necessary jobs. Unless we draft everybody into the Army I am afraid Churchill will not win it for us. He may have eliminated unemployment then but I can assure the Honourable Member that as far as I am concerned the founder and General Secretary of the Transport and General Workers Union in the war years, who was Minister for Labour, played

an even more important role than Churchill in winning the war, so it is all a matter of interpretation. I am not going to go into the War Years any more. Returning to the subject at hand, we had in September 400 people registered unemployed. At the same time, in the month of September, we approved 33 permits for new entrants. To that extent one can say that the situation in Gibraltar is not as serious as it appears at first sight because clearly notwithstanding the fact that we have 400 people unemployed, amongst those 400, the skills were not available to satisfy the needs for 33 jobs in the economy. Had we been able to meet the need for those 33 jobs our unemployment would have been reduced by 33, we would not have had to import new labour and we would not be facing 33 future unemployed when the jobs that they have taken on for some reason or other come to an end particularly since a lot of those jobs were in the construction industry and we know the fluctuations that that industry is subjected to. However, within the 400 the situation is more serious than appears at first sight. If we analyse the composition of those 400 I believe that about 88 were alien workers and that a year ago the proportion of unemployed was something like 50% local and 50% alien so one of the things that the unemployment figures mask is that the trend in rising unemployment is steeper than shown by the figures because a lot of Moroccan labour once their employment benefit runs out and they tend to stretch it as much as they can, in fact by not taking the 13 weeks consecutively but eventually it runs out and when it does run out then they have great difficulty in being allowed to stay. I believe the Labour Department allows them to stay for an extra three months since they are allowed a total of six months but eventually even if the authorities do not expect them to leave, economic pressures make them go away from Gibraltar and they leave the labour market and consequently the increasing trend in unemployment is greater than that shown by the figures because the reason why the alien element has been decreasing is

not because the alien element on the unemployed has been getting jobs whilst the Gibraltarians haven't, it is because the alien element in the unemployed have been gradually leaving Gibraltar so that the long-term alien unemployed do not stay here. But the Gibraltarians have got no choice, they stay here, and consequently the higher proportion of Gibraltarians in our unemployed shows that we are talking about longer-term unemployment than we used to in the past when we were dealing with short-term unemployment and we had a much higher content of alien workers because a lot of them got a job well within the 13 weeks and they never left the economy. However, the fact that we had to import 33 new workers in September at the same time as we have 400 unemployed, clearly indicates to me where we can actually plan even within the constraint of a non-expanding economy, we can plan to bring about a shift in skills so that we become less reliant on immigrant workers so that we replace immigrant workers by local workers through a process of natural wastage and not in fact by undertaking any racially discriminatory policies of saying: "If there are two people working then the non-Gibraltarian must be sacked and the Gibraltarian must stay in employment. The Honourable Member was quite correct in saying that if people think that the major run-down of the Dockyard would of necessity mean that the Gibraltarians would not be touched and all the alien workers would be sacked, he is right in saying that people are wrong in believing that. Not only would it be the case that the people at risk would be determined by the jobs those people do and inevitably a lot of jobs at risk would be managerial jobs, higher paid jobs, clerical jobs and the jobs least at risk in fact would be the unskilled jobs which the Moroccans tend to do because whether you do a refit or you don't do a refit you still need to tie up a ship and it is the alien worker, as a Band 2 labourer, that ties up the ship but the highly skilled diagnostician doing work on weapon systems in frigates has no work left. So it is the Gibraltarians that are at risk there and it isn't a question of saying: "Well, all we are going to do now is get all the diagnosticians who are PTO II or PTOIII and regrade them as Band O labourers and have them tying ships. That is not on, it would be unacceptable to the people concerned, it would certainly be unacceptable to the Trade Union Movement and as far as the Trade Union Movement is concerned any redundancies will be looked at in the context of protecting the rights of Union members irrespective of nationality. So I think in that area it is not a problem we are looking at now and I think the motion is intended to make the House conscious of the problem as it exists although at the back of all our minds, I think, we are aware that the prospects could either be very rosy, as the Minister for Economic Development has suggested is a possibility, or catastrophic, both possibilities are there in the future but we do not know and it is early days yet to say what the effect of the frontier opening, if it does open, and let me say that having said to the House that he thinks the worse thing at the moment is the uncertainty about whether it will or it won't and that he as Minister for Economic Development would welcome the Spaniards

saying that they are going to open it in order to remove the uncertainty, I assume that he would equally welcome them saying that they are not going to open it because that would also remove the uncertainty, and make a lot of other people happy in the bargain. In looking at the present problem I think the present problem is manageable within its present proportions. I think we have to understand at the same time that when we are talking about the jobs that we can supply in our economy, within a shrinking size of labour, and I think we are facing that situation, I haven't seen the figures for April last year I don't think they have come out, they usually come out I think, Mr Speaker, about six months after but I don't think the April figure which usually comes out in October has come out yet but I wouldn't be surprised if the employment survey for April shows that the total number in employment was actually down on last year. It has been fairly stable, I think, for very many years so that we could be looking at a situation where we can still retain full employment but in fact the size of the economy in terms of jobs would be smaller than it has been in the past. That necessarily means a lower standard of living whatever way you like to put it because if there are less people employed in the economy and less people creating wealth and less consumers, then the whole of the economy suffers from it. If the reduction in the creation of wealth is brought about by the people who are no longer in employment leaving the economy of Gibraltar for one reason or another and not being replaced, the economic damage to the whole economy is less than it would otherwise be. If you have got people who are unemployed or prematurely retired then whether we are aware of it or not in terms of the fact that the man may be getting a pension or may be getting money from social security, in macro economic terms, looking at the economy as a whole, what you have got is X number of people on the consumer side and X minus so many on the production side and that necessarily means that the size of the cake available for consumption is getting smaller and the people consuming the cake is the same and the share that each person can have of that cake must of necessity be smaller. As an ideal optimum the Government should be seeking to enlarge the cake. I am saying that in my judgement the Government is not in a position to do this with the uncertainties that there are at present. I think when the picture becomes clearer on the Defence Review, when the picture becomes clearer on development aid and when it becomes clearer of the impact and possible timing of the frontier opening then and only then will the Government be able to put up a defensible and coherent economic programme which will talk about wealth generation and job creation. I think in the present circumstances that the most that we can hope to do is to talk about replacement for those who leave our economy by local labour rather than by continuing to draw in labour from outside. Therefore, in that context, I would like now to move my proposed amendment which I think fits in quite well at this point of my argument. My amendment is that the motion be amended by deleting the fullstop in the last sentence and

adding the words: "such as the recent proposal for the introduction of a levy on all employers in Gibraltar to finance the creation of trainee vacancies for school leavers." This proposal, Mr Speaker, which I put to the Minister for Labour and Social Security but which in fact is simply an idea which I have put to the Government for their consideration and therefore it isn't a question of the thing not having been worked out in any detail in terms of where the jobs would be created, is that I feel the limitation in the past on the attraction of taking on trainees in the private sector has been brought about by the cost to the employer or to the industry of taking on those trainees. Under the Industrial Training Ordinance, I am not sure what the name of it is, but it is the Ordinance under which the Industrial Board is set up, there is a power to place a levy on an industry. The way that would work effectively would be that if we noticed, for example, that in hairdressing we were constantly relying on workers in the hairdressing business leaving Gibraltar and being replaced by new entrants and we thought it was a good thing to encourage people to go into hairdressing, as the Ordinance stands at the moment any levy put on the employers to finance the cost of the industry would have to be limited to hairdressers themselves. If you have got 3 or 4 hairdressers, then to try and introduce a training programme in that industry and to have them finance it would, I think, make the cost prohibitive for those employers and would discourage them from doing it. What I am suggesting is that the cost of financing training in Gibraltar should be shared equally by all employers in Gibraltar proportionate to the number of employees that they have. I thought an inexpensive collection system in terms of administrative resources would be simply to put the levy at so many pence per week on the employers contribution under social insurance. This would mean that the administration of collecting it would be automatic, the employer would just pay so many pennies more. As an example, given the sort of proportions we have today in the economy, if there was a levy of 30p a week it would produce £150,000 and if we were to give a subsidy to any employer who took on a trainee we would be able to pay a subsidy of £30 a week and subsidise 100 jobs. I think a subsidy of £30 a week for an employer taking on a trainee hairdresser, a trainee baker, any youngster that is being trained for something where in fact the Industrial Training Board would have to satisfy itself that it was a genuine training programme and that we were not just having a situation where employers were using school-leavers as cheap labour, using them in non-skilled work where they were not acquiring any skills, were they were just being made to run around doing messages and doing it very cheaply because they might be getting paid £35 or £40 of which the £30 would be subsidised out of the levy and the employer would only be paying £10. In order to avoid that I believe that the system must be monitored by the Industrial Training Board and that the schemes must be approved by the Industrial Training Board so the Board, as provided for in the Ordinance, would have the responsibility for administering the allocation of these grants in respect of trainees. The

proposal that I have made to the Government is loose enough for them to deal with it as they think in terms of either collecting the money in a different way or administering the scheme in any other way but I think it needs to be done early early if we are going to deal with the problem of school-leavers now and we must remember that every month that passes, when we draw in labour from outside, is another month which we have lost an opportunity of employing those today who have left school and who are out of work. The long term effects of this may well take six months or a year to show up. I do not think when we are talking about these training programmes we have of necessity to think of somebody having to do a four-year apprenticeship. I remember we had a recent case of an employer who insisted that in spite of the fact that there were something like 250 unemployed Gibraltarians, he had to recruit a Spanish national in order to cut ham in his shop because nobody knew how to cut ham in Gibraltar. I think that in that situation we should teach somebody to cut ham in Gibraltar. I don't know how many years of apprenticeship is required but I imagine it does not have to be 4 years of apprenticeship and then we do not have to have unemployed Gibraltarians and import ham cutters. But the span of skills in fact, in these 33 permits that were allowed in September we had a situation where we were talking about people like fork lift drivers and lorry drivers so we are talking about skills that do not require in many cases very long-term training. Although my proposal was linked to the unemployed school leavers, there is no reason why the scheme could not be adapted to dealing with adult male unemployed who are unskilled and who have got very little prospect of employment as long as they are unskilled and I think it must be allied to the Government itself offering these opportunities so I would say that the public sector should be treated no differently from the private sector in this respect. For example, if the MOD is no longer offering apprentices then I think it is only right that the MOD should be making a contribution towards the cost of those other people who are continuing to offer apprentices. I think that if the Gibraltar Government is expanding its intake of apprentices to take up some of the vacuum left by the MOD, it is only right that the MOD as an employer should make a contribution to a problem it has been responsible itself for generating. I think this would be a much more equitable system than the system that we have got today where to some extent the public sector does the training, and this is something that I have heard the UK Departments complain about on occasions, that they train people and then when they train people at the end of the four years they are hardly a week out of the apprenticeship when the private sector employer comes along, offers them more money and pinches the trained employee. This does happen, the UK Departments do complain about this on more than one occasion in terms of their commitment to training, when they say that they are training for the whole economy and not just for their own employment. I think the system where every employer pays a levy in proportion to the number of employees he has would mean

that every employer would be making an equal contribution to the cost of training. It wouldn't cost any more to train or not to train and the employer that doesn't want to provide the training facilities would be helping to subsidise the one that does. I believe that there are merits in the proposal and I would welcome the support of the House on that proposal and that is the reason why I am putting the amendment because I believe that it isn't enough to talk about the situation of unemployment in terms of a commitment in principle, I think we need to have specific things done and we need to have those specific things done with a sense of urgency even to deal with a situation as we have today and I believe we should be tackling the present situation of unemployment before it gets worse, if it is going to get worse. I think if we have got already methods lined up to deal with the present situation, then it is easier to cope with an increase than if we find the increase and we are not ready for it. I commend the amendment to the House, Mr Speaker.

Mr Speaker proposed the question in the terms of the Honourable J Bossano's amendment.

THE HOUSE RECESSED AT 4.55 PM

THE HOUSE RESUMED AT 5.15 PM

HON MAJOR F J DELLIPIANI:

Mr Speaker, when I moved an amendment to the Unemployment Benefits I did mention that unemployment benefit is perhaps the most complex and I think employment and full employment is the most complex of all our social obligations to society. It is a very complex matter and one which needs a lot of thought and a lot of planning. Mr Speaker, I think I welcome the attitude of both the Honourable Mr Scott and the Honourable and Gallant Major Peliza's contribution and I welcome some of the thoughts that the Honourable Mr Bossano has contributed. I think both of you have talked of two different societies, you have talked of the socialist society meaning the society east of us and the capitalist society of which we form part and the European Common Market forms part and I myself believe that there are evils in both systems. I think that there are a lot of things wrong in the socialist system and by the socialist system I mean the marxist system and there are a lot of things wrong in the capitalist system otherwise we wouldn't have 7 million unemployed in Europe alone. I think Mr Bossano mentioned the question from a socialist point of view about the progress in education, in social activities etc., etc., and it reminds me of a programme about Cuba where before Fidel Castro came into power the literate population of Cuba was something like 20% they had 80% illiteracy and now after Castro has been there some 20 years, they almost have 100% literacy. The only trouble with that marvellous step in education is that they cannot read all the books they want to

read, they can only read the books that the socialist government allows them to read so here we have a socialist system that has worked beautifully in the field of education but hasn't allowed them the freedom to read what they want and in the other extreme we have a capitalist system, and I would mention a country which I admire a lot, the United States, which has a higher infant mortality rate than Western Europe. The infant mortality rate of a country is indicative of the social services of that country, it is used as a marker, and it has malnutrition problems, it has something like 2 million people who do not have enough food to sustain them and keep them healthy. So we have two systems, one of them after 50 years still has problems, one of them after some hundreds of years is having terrific problems now. What I am saying is that none of the two systems really work but it is a combination of both. It is a combination of government and the private development, and I insist on the word 'private' because I know the Honourable and Gallant Major Peliza meant the private sector and not the public sector. It is a combination of both; the Government through the public sector and the private sector that works, it is not one extreme or the other extreme because the other extreme is producing 3 million unemployed in Great Britain and percentage-wise I think that is more or less about 12%. The unemployment situation in Gibraltar at the moment has not even reached 3% but that doesn't mean that we are not concerned, of course we are concerned. A lot of ideas have been thrown across today, the idea of early retirement, but that has tremendous pitfalls. I can visualise, in fact we know of certain posts where we have old age pensioners working for Government. I will mention one, a lavatory attendant. He is holding a job which a normal able young man could do but can you imagine one of our youngsters at 18 who has got no work at all wanting to get that job? He would refuse it. So if we said to the man: "We will have to retire you because you are 65," what do we do. Do we import another alien to take over his job? That is one of the pitfalls of retiring people over 60. Retire people over 60 years, yes, if we have one Gibraltarian who is going to fit in into that job and this situation is happening at this very moment. Today, this very minute, I have 36 vacancies in the construction industry and they are all skilled jobs and I haven't been able to find one replacement for those 36 jobs. There are carpenters, masons, brick layers and plasterers and we haven't been able to locate one of them. This is the situation that we are facing in Gibraltar, that there are jobs existing but that we haven't got the mentality yet in Gibraltar to realise that we can no longer be choosy about jobs. I thought there was a glimmer of hope when the Government offered 3 apprenticeships in gardening and after a little bit of delay, for the first time three youngsters took it up. But there is also the other spectrum of the situation where we have 47 successful people in the apprenticeship scheme, both in the construction and the other crafts scheme who declined to accept the apprenticeship offered because they were being choosy. Obviously it hasn't sunk into

them yet that the situation in Gibraltar has changed, that we are no longer in a position to say that we are going to have 500 jobs for 500 doctors 500 jobs for 500 mechanical engineers or electrical fitters, this is what hasn't filtered through to the youngsters yet or to their parents. It is a natural thing that parents want their children to aspire to the highest possible career structure but we must face reality. We must try and become dependent on our own labour and we are not able to do this unless we can convince youngsters that they can no longer be choosy. The situation has changed completely. Before we could say: "I will be a mechanical fitter, I will be a ships fitter, I will be an electronic engineer, I'll be this, somebody else will be the mason, somebody else will be the plasterer, somebody will be the bricklayer". That has changed now. Here we have 100 youngsters unemployed, there we have 36 vacancies for skilled work in the construction industry. We must change attitudes and I hope that this attitude that I am explaining here is conveyed to the parents and to the youngsters concerned. They can no longer be choosy. I read somewhere in a local paper that there was no employment for a young boy mason. That is not true, there is employment for a mason and there was employment when that article in fact came out because there was employment for three masons at that time. But they don't want to be masons and they have not had the training to be masons so they cannot be masons. We cannot allow a situation to continue where we have to be dependent on foreign workers however grateful we are for what they have done, when we are going to have foreign workers employed in Gibraltar and Gibraltarians not working and this has been the trend the Honourable Mr Scott mentioned the fact that last year I think it was 67 and this year it had gone up to 107. In actual fact it would have been 87 instead of 67 if the Ministry of Defence had already come forward with 20 because that is what they were offered last year, 20. So in actual fact we are talking in terms of 20 youngsters who have not been given the opportunity of an apprenticeship, we have an increase virtually of 20 because the Ministry of Defence did not offer any apprenticeship or have not offered so far. They haven't made up their minds one way or the other, they are being quite honest about it. They are still considering the Defence Review. So in actual terms we are talking of 20 extra bodies over last year. But that is a situation which I am concerned about because even if one person who is employable and I emphasise the word employable, is unemployed it is of concern to me and it is obviously of great concern to the person himself. He is a person who is unemployed and he has got a problem and it is a social problem and if we have lots of youngsters unemployed it will become a real social problem because they could get up to anything, they have more time in their hands to think up all kinds of devilish things and it is not good for them to depend on their parents for handouts, etc., etc. It creates a social problem, and when we talk about early retirement age I can say, yes, early retirement age at 60 but have we got the youngsters to fill those posts immediately. This is the great problem.

HON W T SCOTT:

If the Honourable Member will give way. I wasn't an advocate of the introduction of early retirement, if he recalls what I said, because of the pitfalls, possible consequences and so forth.

HON MAJOR F J DELLIPANI:

I recall it only too well and I am just trying to put it across to other people because we have a memorandum from the Union which specifically talks about early retirement at 60. But there might be a case where we say, yes, we have to do this because we cannot allow 100 of our youngsters to be unemployed forever but only if we can make sure they are going to slot in into the positions that those people have left otherwise it is absolutely useless. But of course I still maintain that the ultimate aim of any Government worth its salt is to create more employment, not to start thinking already of retraction. I know it might sound a bit optimistic but we must aim for that. My colleague, the Minister for Economic Development, has mentioned a few schemes which Mr Bossano called optimistic. If these schemes work out this will inject certain money into the economy, it will create jobs in the industry and I think it will be of benefit to Gibraltar. But I think there is another part of the question of development in Gibraltar and that is the active encouragement of private development in Gibraltar. One of them is cutting corners in a bureaucracy, because all Governments are bureaucracies. If you want something it goes to this chap, it goes to this chap and this chap and by the time the whole thing is got together it takes six months. And if the chap finds something wrong with whatever you have submitted he doesn't call you up and say; "There is something wrong with this, come over and check it up". You send your formal letter and an acknowledgement that you have received it and it takes 3 months. I think that situation has changed. We have got to create economic development now, not in three months' time or two months time, and this is the attitude, I think that the Government must take, we must cut corners to make sure that any private development is approved and goes out quickly. That is the attitude that we must adopt in Gibraltar. The other question which is very interesting, I think it was mentioned by the Honourable Mr Scott, is the question of training. I can identify one particular industry where we need to train because that industry is here for keeps and we over-rely on foreign workers, and that is the construction industry. It is an industry that is here for keeps because let us face it we all live under a roof, most of us, with apologies to Mr Haynes, we all have a roof over our heads and that house needs repairs and needs maintenance etc., so whether there is big development or little development there must be an ongoing maintenance programme otherwise the whole city would collapse. It is the only industry that I can see

now that we should really start encouraging our youngsters to train for. We also talked about the under-utilisation of the Construction Industry Centre. Let me tell you that the only people who have really used that Construction Training Centre have been the public sector, the private sector have never taken advantage of that because they have found it easy to replace people by pinching from somebody else by bringing somebody from outside, they have always found it easy. Once they find it difficult, once we get youngsters really interested in going into the construction industry, it is only then that we can really be dependent on our own labour. One of the excuses I hear most from construction firms is that they never have a reliable force, that they disappear for three weeks, they come back for five, they disappear for six. I sympathise with that but none of them, certainly the big ones, have made very little attempt to try and attract youngsters into apprenticeships with them because the proof of the pudding is there, the Construction Training Centre has hardly been used at all by the private sector of the construction business. It is a sad thing to say but that is a fact of life. It is only the public sector and I don't think that the public sector can continue to support the whole of Gibraltar, we cannot create jobs just to employ people we have got to create jobs because we are doing something. The other question which I think was mentioned by Mr Scott was the question of retraining other people and this is where the Construction Training Centre can come in and when we see it working with 4, maybe 5 different crafts if we introduce the question of wiremen, we might be able to improve it in other things. There was a specific one not so long ago, somebody needed a forklift truck driver and we didn't have one in our books, there was no one who was trained as a forklift driver. We could have short courses for people to retrain to be a forklift driver, maybe also heavy duty goods driver, this is the kind of thing we have to think of. How many bakers are local? I can only think of one baker who is local, all the rest are in the hands of aliens. We are grateful to them but we cannot be forever dependent on them to continue with our main source of industry and social activity in Gibraltar whilst we have our own people unemployed. Irrespective of what Mr Bossano has said about his concern to his Union members, my concern is to my fellow Gibraltarians. My main concern is to the people who have lived here for many, many years. Of course I am concerned with unemployment generally because the higher incidence of employment we have in Gibraltar the bigger the tax base and the better it is for the standard of living of the whole of Gibraltar. But if there is a situation of contraction I have to make sure that the people who stay in are the Gibraltarians and nobody else but we cannot do that unless we change our attitude. Mr Bossano mentioned that we must encourage Gibraltarians to stay here. This is absolutely vital. What we want is for the Gibraltarians to stay here otherwise we would have a situation where all our fight has been in vain. And we cannot encourage Gibraltarians to stay here if all of them insist in being Marine Biologists, Nuclear Physicists, etc., etc.

And we cannot encourage them to stay here if they all want to be mechanical fitters or electrical fitters, etc. We can only encourage them to stay here if we can convince them that other skills are required in Gibraltar and those skills are here to stay in Gibraltar. Mr Speaker, my philosophy on the question of employment is that irrespective of the problems that we are going through, and I know that there is concern on the Opposition side of the House and on the Government side about the present situation, my philosophy must still be to aim for higher employment, for more jobs to be created because it is only then that our standard of living can rise. If we contract our labour force our standard of living will go down. Mr Speaker, Government will be considering tomorrow a paper on the Construction Industry Training Centre, which was a motion proposed by the Honourable Mr Scott last year, and I have explained why these have been delayed but I have already made up my mind that by a certain date it nothing happens I am going to go ahead with it. We are going to offer, at least for one year to see how those young men react, five trades in the Construction Training Centre which will also include the opportunity to look at the whole spectrum of construction so that they have a really good background when they can move further ahead. I think that is a positive step which I owed to Mr Scott who proposed the motion last year. I am very grateful because I think the thoughts behind it were right and he was one year ahead of all of us. The other suggestion has come from the Honourable Mr Bossano. The Honourable Mr Bossano proposes that a levy on each employee of all employers in Gibraltar, and I emphasise the words "all employers" of a certain sum and with this sum if, for example, somebody wants to train and I know who wants to train two trainee butchers, he wants two butchers and he wants two youngsters to train, but he says: "I am not prepared to pay that chap £35 for six months or a year when I know that he is not producing anything for those six months or a year because he is learning the trade. After six months or a year he might be useful to me but at the moment he will not be useful to me, so why should I pay him the full entitlement under the minimum wages provisions." Here is where the training scheme comes into operation. If we have a fund which has been funded by all employers, and I include the Ministry of Defence, the PSA and our own employees in the public sector, if that chap who is also paying his 30p for all his employees, and the person I have in mind has at least 60 employees he would be paying £18 a week but we would probably give him £30 and he only has to make up £5. It is the same with bakers, it is the same with hairdressers, it is the same with shop assistants. One of the claims of a certain sector of the community in Gibraltar has always been that our young people are not good salesmen. Well, we could train them to be good salesmen. And how long does it take to train a good salesman if he is dealing with cameras or if he is dealing with Hi-Fi equipment, three months, six months? Right, we will employ you for six months, we will subsidise that employee for a certain sum of six months but we will also monitor the fact

that you are training him, that you are not misusing him by sending him as your tea boy or your messenger boy, we will also try and ensure that he has to go for day releases if it is necessary, if that training is required. That is the kind of thing that the Industrial Training Board has to look into and that is why we have an Industrial Training Officer whom we have to reactivate and probably improve the situation so that he can monitor the question of proper training and to make sure that youngsters are not being used as cheap labour subsidised by the whole of the other employers. That is important and that can be done because Gibraltar is a very small community and it only takes two minutes to pop into any workshop or any shop to make sure what the chap is doing and to ask for an explanation and we might have a method where we have to keep records of the training that he is given. This is the scheme that initially Mr Bossano brought to me.

HON MAJOR R J PELIZA:

Will the Honourable Minister give way.

HON MAJOR F J DELLIPIANI:

Certainly.

HON MAJOR R J PELIZA:

Can he give us any figures of all this. How many employers there are, how much they expect to get from the MOD? Will the MOD think that this is a contribution and therefore decide that they are not going to take any apprentices at all because they have done their bit about it? Has he given thought to all that?

HON MAJOR F J DELLIPIANI:

The Ministry of Defence have not taken any apprentices. Mr Speaker, though I realise the intention behind the motion of Mr Scott, it is too open for me. It reads: "This House is deeply concerned with the existing unemployment situation in Gibraltar and urges the Government, as a matter of the highest priority, to action the measures necessary to lead to full employment in Gibraltar". It is a very dangerous thing to talk of full employment in Gibraltar. We might find ourselves, as the Honourable Mr Bossano mentioned, being the employer of 7 million people who are unemployed all over the continent. I am sure that is not what Mr Scott had in mind but if we pass the motion as it stands that is the way it is going to be interpreted.

HON W T SCOTT:

Mr Speaker, I thought it was a reasonable motion expressing an existing situation and put to reasonable men.

HON MAJOR F J DELLIPIANI:

We are reasonable men now but we do not know what kind of men we are going to have in the future. Sir, I have my own amendment.

MR SPEAKER:

Let there be no misunderstanding as to what we are doing now. We are now speaking to the amendment and if you wish to amend the amendment you are free to do so.

HON CHIEF MINISTER:

Mr Speaker, I thought you said at the beginning he was speaking to both.

MR SPEAKER:

Yes, but before he can amend the original motion he must go through the procedure of dealing with the amendment that is now before the House.

HON MAJOR R J PELIZA:

Could the Minister give way before he sits down. Could he possibly supply the figures I asked for? I asked whether he has got any figures that would give us an indication of what the levy that he thinks will be charged on the employers will produce and also is he sure that MOD are not catering for any apprentices and if that is so to say categorically if there is a chance that they may still take 20 as they did last year. Isn't there a risk that MOD may feel that by making this contribution their responsibility is over?

MR SPEAKER:

As I said, we are now dealing with the amendment moved by the Honourable Mr Bossano.

HON MAJOR F J DELLIPIANI:

Mr Speaker, Sir, in answer to the Honourable and Gallant Major Peliza, I think we can take it that we have 10,750 insured employees, so let us say 10,000. I think Mr Bossano mentioned the sum of 30p. Now 30p with 10,000 produces straight away £150,000. £150,000 produces at £30 a week for 100, 100 jobs. So here is a solution already. We have two solutions. We have the Construction Training Centre and we have a solution to help trainees in other crafts which are required by Gibraltar and at present we are being forced to bring in foreigners. We have two positive things which can be done now. You keep mentioning the Ministry of Defence. I am saying I am giving them a time limit. I will let you know my time limit afterwards if you like. I don't think they should get away scot free. If we legislate here that every employer has to pay they jolly well have to pay.

MR SPEAKER:

Order. We are not going to have a debate across the floor of the House under any circumstances.

MAJOR F J DELLIPIANI:

Sir, I have already explained the intentions of Government with two schemes, one which was initiated by the Honourable Mr Scott and the other which was initiated by the Honourable Mr Bossano. I have incorporated the schemes into my own way of thinking with my own department and I propose, Sir, to amend the amendment.

HON P J ISOLA:

Mr Speaker, I was going to make one speech. I don't think it desirable that I should make two and since there is an amendment coming, I have listened with engrossed interest to the last speaker, I think I will actually wait until he moves his amendment and then I will make my contribution.

HON W T SCOTT:

I would like to say a few words on the amendment. I regret that Mr Bossano wasn't here to hear me speak in proposing the motion but I did say that I had been expecting from some direction, hopefully his own, some details and I am going back about 3 or 4 weeks, on the proposal that he gave the Honourable Minister and I did say at the time, and I am repeating it in fact for the benefit of the Honourable Mr Bossano, leading on to why we cannot accept his amendment as it stands and that is that we would like to examine all the possible consequences at some depth, of the introduction of this levy because I can think of immediately one possible problem that we might have, certainly within the private sector employment, and that is an employer who takes young men and women and employs them from school, requiring no further training other than in-service training, employed as clerks, typists in insurance companies and so forth, and who have never, in fact, poached people from Government or other places of employment and I wonder, in fact, what that employer would have to say in circumstances where a levy is introduced to each and every employee that he might have. If I might just return for a minute to the contribution made by the Honourable Member opposite, it seems to me and it only really came out at the end when he used the expression MOD scot free, and that is that it seems to me that he is trying to hit back at the MOD, trying to put them into a situation of getting them to pay for something, at least. But in paying for that something aren't we in fact saying to the MOD: "Now it is going to cost you an extra, for example, £30,000 a year through this levy," and the MOD having already the restrictions it has on spending, without examining the Defence cuts, is going to say: "That is fine, but in doing so we have to look for the £30,000 elsewhere and that means that we have to dismiss another six or eight people".

HON MAJOR R J PELIZA:

Mr Speaker, we are obviously very interested in this. We are not going to oppose the amendment for the sake of opposing the amendment but the idea of me speaking now, Mr Speaker, on this amendment is in the hope that perhaps my friend on my left can give a reasonable reply and perhaps his suggestion is a sensible one. What worries me is this. It is obvious that MOD, if they can, will not take any apprentices. They are reluctant to show any signs one way or another and this is something that we have got to be very careful about. It is obvious that for some reason they haven't said no bluntly. If they haven't said no, why is it that they haven't said no? Is it that perhaps they are afraid of the repercussions? Is it perhaps some official who obviously is trying to save as much money as possible in his directive to reduce the Dockyard and is holding back as much as possible? Will he, if he finds that he has to, come forward and say, "Yes, I will take 20 apprentices". I don't know, perhaps the Honourable Member on my left will be able to throw more light on this. The Minister said that he knows. Well, if he knows he better say bluntly whether the MOD has told him they are not going to take 20 apprentices. But if they haven't said so, at least this is what we heard the day before yesterday. In fact, I think the Minister said he was going to wait until January and then he would go ahead. So he, apparently, has had a big change of mind. Is it that he has got to know something else? If he has, let him say so. If they are not going to take any and therefore they are going to start paying the levy, and if they are . . . . .

HON J BOSSANO:

If the Honourable Member will give way. I shall answer the point about the lack of specificity about the proposal when it comes to that being given as a reason because the reason doesn't hold water but I can answer it. The proposal is that everybody pays a levy and everybody that has an apprentice gets a subsidy. So it isn't a question that the MOD will pay the levy if they don't have apprentices but they don't pay the levy if they do have apprentices. If they were paying the levy and then they decided to get the apprentices then they would be able to recover their levy, no problem.

HON MAJOR R J PELIZA:

The Honourable Member does not understand my argument, Mr Speaker. As soon as MOD starts paying the levy they have a very good excuse to say that they do not need any apprentices and that they are just going to carry on paying the levy. This is the sort of sum that one wants to work out. Once the MOD doesn't take apprentices they are less committed to employ people in Gibraltar. This is what I am trying to say.

HON J BOSSANO:

The only point I am trying to put over is to avoid the Honourable Member carrying on for the next 10 minutes saying something which is totally inaccurate. If he prefers that I list all the inaccuracies and then spend half an hour correcting them, I can do that.

HON MAJOR R J PELIZA:

He better do that because it is going to take longer, I think, to try and have a discussion here later on. It might be a quick solution now but in the long-term it might be a bad thing for Gibraltar. I haven't finished developing my thoughts which, as I say, I may be wrong, but I think it is only fair that if I have them and I am responsible to this House for the vote that we are going to take, that I should explain my thoughts. On the question of the MOD, Mr Speaker, I see dangers that they may feel that they are exonerated because they joined the scheme. Equally, they may have a certain sum of money to spend on Gibraltar and if they have to give it out by way of a levy they may reduce it some other way which may lead to more unemployment. Take the private sector, the private employer, who has got to pay a levy and I don't know if it is 30p today it might escalate to much more tomorrow, but if it is possible for me, as an employer, to reduce an employee that I have now and take an apprentice and be subsidised by the Government, I think it is a clever thing to do. I don't know whether that can work or not but it seems to me that it is not impossible, it is not impossible at all that . . . . .

HON CHIEF MINISTER:

If the Honourable Member will give way. I don't want to intervene too much. The point is that in a motion on a matter of principle we are getting ourselves involved in details which are bound to be worked out, are bound to be brought here and people are bound to be given an opportunity. If it is a document which is going to be of interest to all, everybody will be consulted but we should not get ourselves involved in such detail in a motion of principles.

HON J BOSSANO:

Mr Speaker, the actual amendment says: "such as the recent proposal". It is all very well for the Honourable and Gallant Member to say all the things that can go wrong. Obviously, nothing can go wrong with the measures he is proposing because he doesn't say what the measures are. He is expecting me to vote for the measures necessary without telling anybody what those measures are. I have given one example of one possible measure. It doesn't say the proposal must be introduced, it doesn't say the levy must work, nobody is being committed to anything other than a principle of a possible way of taking some possible measures.

HON MAJOR R J PELIZA:

I am required, if I do this, in principle, to accept something which can affect trade in Gibraltar, can affect employment in Gibraltar, can affect investment in Gibraltar and I just cannot do it on a basis of principle. That could be, with all due respect to my Honourable Friend who does not believe in acting illogically, illogical. The logical thing is for anyone who is tampering with money and the consequences that come from it, is to work out a sum, analyse it carefully and when you have analysed it then, in a responsible way, one can decide. Maybe my Honourable Friend on the left has done it in his mind. The Minister doesn't seem to have done anything.

MR SPEAKER:

I accept your point of view and I think it is valid and relevant. The only thing is that I think we have laboured the point long enough.

HON MAJOR R J PELIZA:

What I am saying, Mr Speaker, is that if I had been allowed to have a straight run perhaps I would have finished by now. It is very, very difficult for a responsible member of this House to agree in principle on a form of taxation when we do not know what this is going to lead us to and this is why I stood up so that the Honourable Member can give us a thorough explanation of what this is going to cost, how many people are going to be employed. The Minister said we would be able to employ 100. Just like that. Mr Speaker, there are lots of other expenses that I can see coming into this which nobody has gone into and I can see the expenses escalating and I can see also the contributions escalating and I can see also that being accepted as the easy way of finding employment which not necessarily is going to be the most beneficial or the most durable and therefore, Mr Speaker, this is why I am questioning it. I hope that the Honourable Member will take it in the spirit that I am saying it, that he has got to convince me and I think many other people in this House that the suggestion that he has made is not just something that one can accept in principle. I would accept one thing, the suggestion to be made to the Government not in the form of an amendment to the motion but as something to be looked into, to be investigated. If the Honourable Member on my left could make that "to investigate the position," yes, I would go 100% with him. What I cannot do is accept a scheme which doesn't say "investigate". I would like the Honourable Member to address himself to concrete figures and then explain how he can see that through to a successful and lasting conclusion.

HON P J ISOLA:

Before the Honourable Mr Bossano starts talking about the nonsense that is spoken in this House and he has his fair

share of it, I feel, sometimes. I think he has only got himself to blame if he has got into controversy, Mr Speaker, with my Honourable and Gallant Friend because his amendment is asking the Government "to action the measures necessary such as". He is not saying in his amendment such as the examination the recent proposal for the introduction of a levy on all employers. I don't read the amendment that way, I read the amendment as meaning that this House resolves that the Government should action his proposal for the introduction of a levy of all employers in Gibraltar to finance the creation of trainee vacancies for school leavers. That is as I read the amendment and if we were to agree with it, it would mean that we are agreeing that the Government should tomorrow pass legislation making a levy on all employers in Gibraltar, including the MOD. That is how I read the amendment. If that is not the case, if that is not what the Honourable Member means by his amendment then he should draft his amendment in a way that means what he says it means. Perhaps he could tell us what he really means and then I will give way.

HON J BOSSANO:

If the only problem that the Opposition has is that, then they should have listened to what I said when I moved the amendment. If the only problem is that they take this to mean that I am committing the Government to carry out a specific scheme then they haven't listened because I am quite happy to have the word "examination", as far as I am concerned it does not change anything because I haven't asked the Government to carry out a specific measure. I explained when I introduced it that I had made the proposal, I said that for the purpose of illustration the figure of 30p could be used but it could be 1p or 2p or 3p, and that the matter is already legislated for and it was legislated by the Honourable Major when he was the Chief Minister, that is when it was legislated, the law is already there.

HON P J ISOLA:

Mr Speaker, I thank the Honourable Member for his explanation because now at least we know that what is being moved here is that the proposal should be examined and that, of course, is a very different kettle of fish to telling us in three months' time "You agreed this". I was going to leave my contribution till after I had heard the Government amendment but I think I would rather make it now and afterwards if the Government amendment has anything to deal with the actual amendment I will deal with it. I think I would like to speak on the debate as it has transpired so far. I was very impressed, Mr Speaker, with the approach of the Minister for Labour and Education, to the problems that are facing us on the question of employment and I was very impressed, too, with his appeal, and it is an appeal of course that has also come from this side of the House, that we have to face the situation that Gibraltar has

today of the need for a change in attitudes. I was enormously impressed with what he had to say about the construction industry in Gibraltar and the use of the Construction Training Centre and I am glad he welcomed the motion moved by my Honourable Friend, Mr Scott, some time ago, about the need to increase the training facilities and to use them and to train young people which the Government has accepted and I am only sorry to hear that in fact offers to train young people in the construction industry have just not been taken up. I am afraid we suffer from the same malaise, I suppose, that occurs in England and in other highly industrialised countries where a lot of young people seem to go away from certain kinds of employment and that is the reason why England for example has had to pass the British Nationality Act. I suppose, in a way, because a lot of immigrants have come to fill in these jobs and we have got the same situation here. I think it is a very valid point that the Minister has said and I personally think, Mr Speaker, that where action is required is in the educational field and I think it is perhaps appropriate that the Minister is not only Minister for Labour but the Minister for Education. I think there is a need to get to young people in the schools about employment opportunities, about career prospects in Gibraltar, although obviously parents and everybody want their children to be the top guy, this is natural, this is human nature, this is part of the capitalist system, I am afraid, people have to realise that we all form part of a community and each person has a very noble part to play in anything that he is doing. It is at the schools that I think to a certain extent people must be approached. I think the Minister for Economic Development has said so many things about his past of being a teacher, I think he could do very much in talking, or the Minister for Education, in talking to the teachers in our schools, having sessions with the teachers in our schools where the facts are laid to them, where they are asked to try to get people interested, for example, in the construction industry. There are prospects, the pay is good, there are job prospects, there are promotion prospects there, it is an industry that will go on forever, we hope. It is getting people interested in jobs and getting people interested into vacancies, to my mind, is a far more important objective than going to an employer and saying: "Here you are, here is £30 a week, employ Johnny Smith". The employer says: "Right, I will get rid of Johnny Jones and I employ Johnny Smith". And Johnny Smith knows he is an apprentice and Johnny Smith is not really interested in this job, he has just taken the job because it is the only thing going and what happens, how does that help the raising of standards on Gibraltar? How does that help the economy to surge forward? I think, Mr Speaker, that we are getting in Gibraltar to the crossroads of philosophies. I agree entirely with the Minister for Labour that there is something good in the capitalist system and there is something good in the - I shudder to utter the word - marxist - there, I had to say it. There is something good in both systems and the beauty of democracy is that somehow or other we marry them and we all get

on reasonably well as a result. But when people have tried to follow simply doctrinaire theories, doctrinaire socialism which is what the Honourable Mr Bossano is so committed for, and I respect him for it, but I am not going to allow Gibraltar to fall into the hands of his doctrinaire socialism because I know the result of that doctrinaire socialism has had in different countries in the world both on the East and on the West. In the East doctrinaire socialism has led to low standards of living, low standards of almost everything, restriction in the basic freedom of people to decide what they want to do with their lives, where they want to travel, that has been the result of doctrinaire socialism in the East and in the West, as in a democratic system, we have doctrinaire socialism in England, I think, to a certain extent. It had a good result, it produced the welfare state, it produced a lot of good things but by keeping too doctrinaire it brought about, I believe, many of the serious problems that the British economy is going through today requiring, in the view of a certain political party, radical measures to put right. It is true that British Industry, to a very great extent British nationalised industry, has become uncompetitive. As a result there has been a lot of unemployment. We know the problems of British Leyland, we know the problems of the iron industry in England and these are facts of life, Mr Speaker, it is no use saying: "Oh, that has been brought about because the Conservative Government is in power," it was going the same way when the Labour Government was in power. Let us not get involved in this House in just sheer, pure doctrinaire theories because if we do we will go the same way and I think somehow or other the mixed economy, as it is called, is not a bad thing and as a result of the mixed economy trade unions have their freedom, trade unions can fight for better conditions for their members and capitalists can make money and now and then we plonk a law and make sure they do not make too much money and if they make too much money we take it off them in income tax. That is the sort of mixed economy that I think is good and beneficial. I only said that Mr Speaker, because I am certainly not going to be dragged along the road of doctrinaire socialism or doctrinaire capitalism, and I am not a member of the Conservative Party the SPP or the Labour Party. I like them all, quite a lot actually, but I am not a member of any of them, Mr Speaker. Mr Speaker, having said that, the question of what is needed in Gibraltar. I think we need the schemes that the Minister for Economic Development has outlined but to implement those schemes that he has outlined, and I was very interested to hear the whole lot of them. He has got the schemes, now what does he need to implement them? He doesn't need labour, he needs money, he needs investment. That is what he needs. He needs a good chunk of money from the British Government and we will support him as much as we can in getting it and we wish him well but we know the present Conservative Government with its philosophy, we do not know the philosophy of the next Government, we know the philosophy of the present Conservative Government and we know they will not just say: "Well, how much

do you need, £40m, here is your cheque". They have never said it anyway and still less now. And if the Government say today "We need £80m" I won't say they'll be lucky if they get anything, I better not venture any figures, but they won't get £80m and the money will be required from private investment, private capital. We need to encourage people to invest in Gibraltar. This is a fact of life. Gibraltar prospers from full employment, agreed. Gibraltar prospers from the Ministry of Defence spending, enormously. We are in danger of losing that, we know it, it could be coming. We are hoping that the British Government, and I have confidence in the British Government. Their pledge to find alternative means for sustaining and supporting Gibraltar is there but they will expect a realistic response from Gibraltar and I think that just to say simply, I know it is not just that but just to do a mathematical figure, there are a hundred school leavers, raise 30p a week from everybody and he has 100 jobs. This is to have your eyes closed to the realities of life. Gibraltar is going through a recession as well, the recession is hitting us and what we have to think of, Mr Speaker, we have to think of ways of getting the economy back in full swing, that is what we have got to think of. And we also have to think of, Mr Speaker, of making the best use of our local manpower. I agree with what the Minister for Labour said fully, that we must look after our own people first. That is what comes first, that is what we have been elected to this House for. We have been elected to this House not by the Trade Union Movement, not by the Chamber of Commerce, we have been elected by the people of Gibraltar, and our allegiance in this House is to them. I have got clients and my friend here has business acquaintances, the Honourable Mr Bossano is a Union Officer and has a duty to his membership but here he has a duty to his Gibraltarian members of the Union, let me put it that way, the British Gibraltarian members. That is not to say, Mr Speaker, and I think I express the views of the whole House, that is not to say that we should have, and the Minister, that we have a policy to get rid of our immigrant labour. We have commitments to our immigrant labour which I hope we will fulfill with honour, that is absolutely true, but we have a commitment to our people. I refer here to the memorandum, it is no use saying: "Stop all immigrant labour". How can you stop it. If somebody needs a plasterer or a shutterer and we have no plasterers or shutterers, how is the Government going to say: "Right, no more immigration". The economy cannot be brought to life on restrictions and on control. It just cannot be. These are the realities that have come, I think, in every free economy and any economy that aspires to higher standards of living, this just has not occurred and this is a fact of life. More control than they had in Russia, Mr Speaker, although in fairness to Russia they had a very big problem when they all started off. But by having more and more controls there they have not been able to get for their people the sort of standard of living that any working man in a democracy regards as his absolute right. We have got to make the economy live. Gibraltar is a small place, Gibraltar has

lived so far on the mixed economy that we had on the Ministry of Defence spending and the private sector. That Ministry of Defence spending is now in jeopardy, we have to make our people realise that we have to make this economy go and we must train people to contribute to it. Now I come to the levy. There is an Industrial Training Ordinance and I think it is a very good one and I think that the idea behind it, the philosophy behind it was that you got a trade, for example, shop assistants and you do a levy on that trade to run particular courses to train people and as the people who are being trained are for the benefit of that trade, they pay. It is as simple as that.

Let us suppose that you have a lot of butchers in Gibraltar and suddenly somebody wants to start butchery for example, a particular business and he says: "Well, I want to have a go at this but I have got no butchers". So he calls on the Government and says: "I am prepared to take two young men in. You pay their wages". If it goes well it is fine, if it doesn't go well, well he closes that side of the butchery business. There are lots of practical problems, Mr Speaker, in this question and I think that what the Government has to do, if they are really being responsible to the people who elected them, is not just to find a job, not just to tell people: "Employ this guy because I have got him round my back every day, he hasn't got a job," not that, to get them into useful employment, to use money to get employment, to use the provisions of the Industrial Training Ordinance for that purpose but not merely as a stop-gap measure to get employment. That is the aspect of the amendment that I don't like. I am all in favour of catching the trade and making them pay to make the people they have got better trained. I am all in favour of the Government through the Construction Training Centre getting young people interested. I am all in favour in Ministers trying to get at the teaching profession, tell them the facts of life in Gibraltar in practical terms, because the teachers, and I know we support that they should stand in the House, they do tend occasionally to be a bit airy fairy about life. I used to find that in the universities in England today they give much more importance to a degree in English than a degree in law or a degree in medicine. Those subjects aren't of interest to them but they are the subjects that make a country go and a country live and I would ask that there should be some coordination between Government Ministers involved in this and the teaching profession. All these are the important things. Be careful of starting levies because it is really another form of tax, let us face it, all the employers have to pay and that is it, it is a form of tax and that has effects on economic investment although I don't support 30p a week would have that much effect but if you add a few other things to it, it might have an effect. As far as the Ministry of Defence is concerned I am very angry that they haven't taken any apprentices, Mr Speaker, I think that is wrong but I would warn the Government about starting a war with the Ministry of Defence. I think they have rather more resources than we have, I don't want to prejudice the matter at all but

I would think, Mr Speaker, that it is fairly easy to offset their cost if necessary, if they want to, if they think that this levy is just a cheap way of getting money out of them I think it is not difficult for them really to get it back some other way. Unfortunately, I think this is one of the realities. I have an open mind, Mr Speaker, and I think we will be abstaining on this amendment because I do have an open mind. What I don't like about the proposal of my Honourable Friend is that it seems to be purely and simply "We have got to get the guys a job. For God's sake just bribe somebody to employ him, give him a subsidy". That has a lot of dangers as well because our businessmen are clever guys and they might say: "Well, this is good for us. We will get rid of the 60 year-old and bring this man in." I am very, very scared of the proposal, Mr Speaker, it is not that I don't want people to pay more taxes if they have to, but it is a question of making the best use of resources and the best use of money and also trying to get somehow can I put it - some inspiration into young people, trying to get them thinking that to start life you have got to do everything in life. My sons have worked in the construction industry, it is damned hard work I believe, get people trying things out everywhere. We have got to make this place go, we have got to get out of the recession, that is the sort of message but, of course, from words alone man does not live and therefore any measures that will help the situation I think must have the support of the House. Mr Speaker, finally I would just like to say a word not really relevant to the amendment but on the general debate. I would like to say that Government although I agree that the Government should give consideration, I don't know the financial implications, of reducing the social insurance pension age from 65 to 60 but I don't know what it means in terms of money, obviously, if they were to give consideration to that, people in receipt of social insurance pension from that age, presumably, it has got to be done in a way that it is because they haven't got other employment because I do not agree myself that we should start pushing people at the age of 60 and I agree entirely with my young colleague here, the Honourable and Gallant Major, I don't think we should start pushing people out of work at the age of 60 because I think a lot of men, and an example I think is my Honourable and Gallant Friend, reach their prime around the age of 60 and we have got the Honourable and Learned the Chief Minister, I don't think he thinks he is past it. I am rapidly approaching this age of 60, I have got another 8 years to go, and I don't feel past it. I would be very demoralised if I were to be told at 60 "Out you go", although I know there is a need, obviously, for young people to have employment. Let us not start with mathematical solutions. You just say: "These 20 go out and 20 come in," forgetting that you have messed up the 20 and the 20 you have got in may not have the slightest idea of how to do the work of the 20 that have just left. Mr Speaker, I hope the Honourable Mr Bossano will take the criticism in the way that it is intended.

HON J BOSSANO:

If the Honourable Member will give way. He is talking about the memorandum and having said already that none of us were elected here to represent anything other than the people as a whole, he then makes references to a memorandum of the Transport and General Workers Union and not the GSLP. I am not interested in that aspect.

HON P J ISOLA:

Of course. I am referring to the memorandum of the Union which I am very grateful to have received, in the same way that I would refer to a memorandum from the Chamber of Commerce. I am not referring to this because the Honourable Member is here, I am only referring to it, in passing, because it was a point that I was making and I hope the Honourable Member will appreciate that we are all trying to get Gibraltar moving, we are all trying to get economic activity going in Gibraltar. I think we all have a contribution to make and I think this debate on my Honourable Friend's motion has been extremely useful because I think we have had a good exchange of views, I think we have had a good idea of how different people are thinking and I think that if we could all this thinking together something may come up out of the wash, Mr Speaker, that will improve in a real and constructive way the employment situation in Gibraltar and bring about what we are all elected to bring about and that is a better Gibraltar and a better place to live in. Thank you, Mr Speaker.

MR SPEAKER:

If there are no other contributors on the amendment, I will call on the Honourable Mr Bossano to reply to the amendment.

HON J BOSSANO:

Mr Speaker, I don't know whether there is really much to be gained by my answering the Honourable and Gallant Major's remarks because the Leader of the Opposition has already said that they will be abstaining on the amendment, I think he said originally that they were voting against, so even before my contribution there has been an improvement in the position.

HON CHIEF MINISTER:

If the Honourable Member will give way. I would like to say that though we have ideas about the motion, we are not against the spirit of the amendment and we will be abstaining so perhaps the Honourable Mr Bossano will have the pleasure of having his amendment carried by his own vote.

HON J BOSSANO:

In the hope that I can persuade somebody else, let me say that I cannot see how in relation to the amendment it is used as a basis to define my position in this matter as doctrinaire socialism. The use of the levy to subsidise trainees has nothing to do with doctrinaire socialism or with socialist theories at all. In a socialist system one would not be subsidising private employers, one would be taking them over, so I don't think it has anything to do with a doctrinaire socialism. If that is the reason why the Honourable and Learned Leader of the Opposition is abstaining then I hope that will be enough to make him vote in favour. The other thing is that I am not asking the House for a blank cheque or the introduction of a radical new measure of taxation. What I am saying is that the existing law, introduced by the Honourable and Gallant Major Peliza when he was in Government, the 1970 Ordinance was introduced by the IWP Government, the concept of training was something that I remember being involved in the Party with.

HON MAJOR R J PELIZA:

I think he does not realise the difference of when the measure was introduced and the application of it now. As I say, it is not that one is against it just like that, all I am saying is that it requires some study. When we introduced this measure it was due to over full employment. Literally, there were no bodies that we could find anywhere. Now the situation is one of unemployment so the whole situation has changed. Whilst before there was no fear whatsoever of anyone taking advantage of the situation, now the possibility is there that they could take advantage of the situation and I hope that the Member on my left understands that there is a great difference.

HON J BOSSANO:

If the objection is that it is a measure of taxation which can put businesses out of business, then all I can tell the Honourable Member is that that can already happen with the existing Industrial Training Ordinance and that in my judgement it is more likely to put out of business the fact that the power exists today to make a levy on a training order confined to a small industry, that is likely to be a higher burden, than one that spreads the cost on the whole economy. I think it is a fair thing, I know that it has the support of the trade union movement. From the few people in the business that I have talked to, I know that the support of the business community can be obtained for it. In any case, the Industrial Training Board who would be charged with the details of the scheme, consists of representatives of the Unions and representatives of the Employers, both public and private, so the people who would be administering the scheme and the people who would have to introduce the safeguards, and the people who would have to see that it was not being abused are the people who themselves are concerned from both sides of the industry, and therefore at a political level all that I have asked the Government to do is to consider this as a matter of policy. I certainly

have no intentions of getting involved myself in details of how many hours training a hairdresser must have and does it mean another hairdresser is being sacked or anything like that. I know one thing, that the trade union movement is quite capable of protecting its members from abuses whether as a result of this or as a result of any other thing and I am absolutely convinced that any employer that started redundancies in order to replace skilled workers by unskilled workers to be trained to take up those jobs would immediately find himself with an industrial dispute in his hands and would certainly find that the Trade Union representatives on the Industrial Training Board would say: "We object to the application of this scheme to this employer because in fact this is not being used to create new jobs to replace eventual skills that we are importing, it is simply being used to downgrade the labour cost in one particular firm". We are not talking about the United Kingdom with a labour force of 24 million and thousands of firms. How many employers are there in the private sector who would abuse the scheme and we would not find out about it? I can assure the House that I have got no fears at all in that respect. I am absolutely convinced that the trade union machinery is adequate to protect the interests of employees in this respect because the people themselves would certainly make it their business to come looking for me or for somebody else in the union and complain about what is happening and it would be stopped so I don't think an employer would be able to get away with it in Gibraltar. They might be able to do it in a national economy, as I say, where there isn't the intimate contact that there is in Gibraltar. I don't think, quite frankly, that reputable firms in Gibraltar would do that sort of thing. You might have a cowboy firm that is already getting away with casual workers but that firm today, and we have got quite a few which is reflected I think in the memorandum put forward by the Transport and General Workers Union, we have got a few firms today in Gibraltar who we consider should be clamped down upon, who are employing people without work permits, who do not deduct PAYE, who do not pay insurance and they put at risk the jobs of the people who are here legally and they put at risk the survival of the firms that are paying established rates of pay and are acting within the law. A firm like that is quite capable of using anything but I cannot envisage that sort of firm actually taking apprentices whatever you pay them to do the job. They much prefer to take people off the streets, pay them under the table and they have two sets of accounts and nobody knows what their business turnover is or what they are getting away with. The union movement is very concerned about that situation and had included that as one of the matters where the Government should take action and, if necessary, legislate to lay down very stiff penalties for people caught infringing the law in that respect. That cannot be considered to be doctrinaire socialism, that is protecting the jobs of the working people but at the same time it is giving protection to the employer that is acting legally, who is entitled to complain about what is unfair competition by people who are getting round the

law and lowering their wage costs by using labour that is not legally in Gibraltar and that it is here on a tourist permit or that may even be registering as unemployed and doing jobs on the side. I think the other point that the Honourable and Gallant Major Peliza was considering a dangerous area was this question of the MOD and the taking on of apprentices. I don't think that the cost of the levy on the MOD is going to make a difference to the policy of the MOD apprentices in Gibraltar. We are talking about an amount of money that is really insignificant in the context of the sums of money that the MOD is thinking of cutting and this is not a sweeping solution and I am not saying to the House: "All you have to do is to introduce the proposal of the levy and all your problems are over, unemployment disappears overnight, we don't have to worry about the Dockyard closing down". I am not saying any of that. I haven't said that. All I am saying is that the most radical policy that this House is being asked to commit itself to is the policy moved by the Honourable Mr Scott which is closer to the doctrinaire socialism of someone like Tony Benn than what I am proposing because as far as I know in the United Kingdom the only politician that is completely committed to full employment, as a matter of Government policy, is the Tribune Group and the leader of the Tribune Group. I don't see why, Mr Speaker, the Honourable Member gets so hot under the collar. I am quite happy with the motion but I cannot understand how one can say: "I support this motion but I want nothing to do with doctrinaire socialism, I want nothing to do with the socialist philosophy, we must have private enterprise, we must give freedom to people to come and out of our economy as they wish. If we need to have another 33, we have 33 in. I cannot commit myself to something without knowing what I am committing myself to". Well then, Mr Speaker, I would ask the Honourable and Gallant Major how he can support Mr Scott's motion where he is asking the House to commit itself to action measures necessary leading to full employment in Gibraltar. What measure, I ask him? Will he explain the figures? How many people are going to be affected by those measures? Does it mean interference with the freedom of movement of individuals from one job to another? Let him spell out the measures before we commit ourselves to it. That is what he is saying to me about the levy and all I have said on the levy is that it is a proposal which goes within the existing law, it is using the power that already exists and that the people who would actually decide how much the levy should be, decide who it should apply to, decide what the grant should be, approve the training schemes, would not be in my judgement the Government and it certainly would not be me, it would be the Industrial Training Board under the existing powers of the Industrial Training Ordinance passed in 1970. As far as I am concerned, the measures mentioned here of necessity must include the proposal I have already made because if I didn't think that that proposal was something that would help to alleviate the unemployment problem, I wouldn't have made it and if I didn't think that that proposal was conducive to a situation of full employment I wouldn't

make it.. I said initially in moving my amendment, Mr Speaker, the purpose of the amendment is not to alter the motion, I support the motion as it stands, it is to illustrate what I consider could be one of the measures necessary because in fact the motion does not spell out which are the measures that we are asking the Government to implement and to action as a matter of urgency and I think, since I have suggested this to them, that this should be one of the measures and I am putting that forward as an example, that is why it says: "such as", this is an example of one of the measures that they should do. To find that I cannot get the support of the other members of the Opposition because they are afraid that this might be doctrinairesocialism, because this might make the MOD not take on apprentices, because this might bankrupt businesses, seems to be quite extraordinary when I consider that the amendment does not go beyond anything either in the original motion or in the existing law. I am not suggesting anything that is radical or revolutionary. I think, myself, that the only way that the Government of Gibraltar or any other Government could actually achieve full employment, as I have already said, is by a socialist programme of control of the economy, that in my judgement is what is required. I am assuming that the proposal from the Honourable Mr Scott is not for the Government of Gibraltar to undertake that. I am assuming that it is not, but in my judgement unless he spells out that it isn't that can easily be read into this motion because as far as I know the only people who consider that within a free enterprise system full employment is possible are those people who consider that the only way that can happen is by taking the free part out of the free private enterprise and only allowing private enterprise to work within Government directives. Every policy document and every economic analysis that I have ever come across that talks about full employment as an objective, talks about restricting the freedom of private employers to invest as they like, to do what they like and the private employer is told what and how to invest in order to achieve full employment. I don't believe that that is the proposal that the Opposition is moving on this. My amendment is not seeking to make it that either but I can assure the House that anywhere else in any other Parliament, a motion such as this would be interpreted in that manner. I commend the amendment to the House.

HON CHIEF MINISTER:

Mr Speaker, before we take a vote on this I want to make quite clear that we are not going to fall into a bit of a trap, unintentionally.. If the amendment is carried, surely it is not out of order to propose an amendment to the motion, as amended, so long as it doesn't negative the amendment, whether we vote in favour or we abstain.

MR SPEAKER:

It does not matter. What we cannot have is an amendment brought to the motion which would negative the decision of the House

already. Once the House has expressed a wish it should not be negatived but amendments can be brought to the question as it appears before the House, as amended.

Mr Speaker then put the question in the terms of the Honourable J Bossano's amendment and on a vote being taken the following Honourable Member voted in favour:

The Hon J Bossano

The following Honourable Members abstained:

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

The following Honourable Members were absent from the Chamber:

The Hon G T Restano  
The Hon H J Zammitt

The amendment was accordingly carried.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I would like to propose an amendment to the motion as it now stands which will not negative the spirit of the amendment that has been passed by the vote of the Honourable Mr Bossano. My amendment reads: "Delete all the words after "This House" and substitute "expresses its concern at the increase in the level of unemployment in Gibraltar, notes the measures being taken by the Government and those proposed by the Honourable Mr J Bossano, as announced in this House, to improve the situation and welcomes the initiation of detailed discussions between the Government and the Transport and General Workers Union."

MR SPEAKER:

No, I am afraid that that is unacceptable. That would be negating the question as amended by the Honourable Mr Bossano. We now have a question before the House which says that Government should take note of the way in which the matter should be tackled, and one of the ways is by the

introduction of a levy. I think any amendment which means deleting that from the motion would be a negative statement to what the House has already agreed. The House has now decided that one of the ways in which full employment can be established is by considering proposals for the introduction of a levy. I am most certainly open to interpretation as to what this particular amendment can do.

HON J BOSSANO:

I would have thought, Mr Speaker, that if the Minister's amendment to the motion actually reproduced some of the words here so that it continues to say "urges the highest priority for the measures."

HON MAJOR F J DELLIPIANI:

What about if the word "notes" is substituted by the word "approves". Approves the measures being taken by the Government and those proposed by the Honourable J Bossano.

MR SPEAKER:

Shall we have a copy of the amendment?

HON CHIEF MINISTER:

Yes. We could include the words "such as the proposal for the introduction of a levy".

MR SPEAKER:

Precisely, I think the words should be put into the motion.

HON CHIEF MINISTER:

But it is there.

MR SPEAKER:

No, because we now have a motion before the House which has been amended and unless we have those words in any text which we are being asked to vote for we may be negating the amended motion. I would suggest if we put here "taken by the Government and those proposed by the Honourable Mr J Bossano such as the recent proposals." That is the important part.

HON CHIEF MINISTER:

The Opposition should know what they are going to vote for.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I would like to make a second attempt Sir. I would to move the deletion of all the words after "This House"

and substitute the words "expresses its concern at the increase in the level of unemployment in Gibraltar, approves the measures being taken by the Government as announced in the House and those proposed by the Honourable Mr J Bossano such as the recent proposal for the introduction of a levy on all employers in Gibraltar to finance the creation of trainee vacancies for school leavers to improve the situation and welcomes the initiation of detailed discussions between the Government and the Transport and General Workers Union." Mr Speaker, the reason for this amendment is twofold, Sir, though I agree with the motion as expressed by the Honourable Mr Scott, I could not accept the wide implications of full employment in Gibraltar and my original intention in fact was just to explain the different things that we have talked about, the different schemes that we have talked about, and not actually mention any specific schemes but as the amendment has been passed you have now restricted me even more because my intention in fact was that if it was more open, more discussions could be brought in, the loopholes could be looked after even more and more time could be given to you to cooperate with me in the matter. Because you had doubts in your mind I didn't want to put the example. This is the reason for my amendment.

Mr Speaker proposed the question in the terms of the Honourable Major F J Dellipiani's amendment.

HON W T SCOTT:

Mr Speaker, a brief contribution. I presume that at the end of the debate I might have an opportunity to wind up on my original motion. I am so confused, I think most of us are, with all these amendments and amendment to the amendment. The reason why we did not see for supporting or, in fact, voting against the Honourable Mr Bossano's amendment is in fact identical to this one and this one I think goes even further because where the Honourable Mr Bossano went to great pains to suggest that his intention in adding what he added to my original motion was merely as an example of one of the measures that could be taken and the phraseology used in my original motion was quite categorical, it says "to action the measures necessary", far more so therefore with the amendment to the amended motion which reads "approves the measures being taken by the Government as announced in the House and those proposed by the Honourable J Bossano." It approves the proposals made by Mr Joe Bossano. On that count, Mr Speaker, we find that we have to abstain again on this amendment.

HON P J ISOLA:

Mr Speaker, the Government have got themselves into a bit of trouble on this one, a bit of difficulty. I find we are moving motions and approving or abstaining on motions which say things which the people who sponsor them did not intend it to say. The Honourable Mr Bossano made an amendment and he said in

support of it that he only meant an examination of the recent proposal, nothing more than that, but that is not what the motion said, so we abstained. Then the Government now find themselves in the difficulty of an amendment passed by the magic vote of the Honourable Mr Bossano, they feel they are sad with that and now they propose an amendment which goes further than the amendment that has been put by Mr Bossano and the Honourable Mover, on behalf of the Government, says "We have had to put this in, this is not what we really meant," I think the only way out for the Government is for the Honourable Major Dellipiani to vote in favour of the amendment and for the Government to defeat it by Government majority and start from the beginning again but obviously they cannot do that. We have to, of course, abstain on this amendment for the same reasons as we abstained on the motion of the Honourable Mover. I am sorry to see that the objections to the motion of the Honourable Mr Scott, the basis for the objection, was that he mentioned the question of full employment. I would have thought that full employment is a desirable aim, we should all be aiming for that, I would have thought. Unfortunately, we cannot guarantee it but I would have thought that was one of the main principles which govern us, I suppose, action measures necessary to lead to full employment. It may be a difficult thing in practical terms but we should be aiming for that and I am surprised that the words 'full employment' have been taken away as a result of the amendment by the Government, now with the support of the Honourable Mr Bossano. I should imagine he is going to vote for the motion as amended. We have to stand apart from that and abstain. The other last point I want to make, Mr Speaker, is that I am very surprised and I do not know how far this is in accordance with the principles of democracy, that you decide to levy a tax on employers and having decided to take their money, you then welcome the initiation of detailed discussions between the Government and the TGWU, as to how they should spend the money which they have got out of employers.

HON J BOSSANO:

If the Honourable Member will give way. The proposal on the levy does not come from the TGWU and the reference to the discussions are in respect of the memorandum submitted by the TGWU which has nothing to do with the levy.

HON P J ISOLA:

Mr Speaker, this is why I say that probably the best thing to do with this motion is for the Honourable Major Dellipiani to vote in favour and for the Government to vote against because this is what it says, following in the way it has been drafted, it gives me the impression 'to improve the situation' the question of the levy and then 'welcomes the initiation of detailed discussions between the Government and the TGWU' which would seem to me logically to mean how we shall set about creating these job opportunities with the money which we have

got from the employers. We will just abstain on the whole thing but I hope the Government will at least have the courtesy to consult some employers' associations as to whether they think whether this is a good idea, whether this will be helpful to the economic objectives of the Government, whether it is a good thing to just slap taxes on people but, anyway, as I said, our main reason for abstaining and we must be logical in this, follows the main reason why we abstained on the motion in the first place. The fact that my Honourable Friend raised the matter, I think is a matter worthy of praise and I am glad it has been aired in this House. It is not the first time, of course, that a motion introduced by somebody ends up with something entirely different to what the person proposed so it is nothing unusual that we should have to abstain on a motion that has been amended, that was originally moved by my Honourable Friend Mr Scott with the best of intentions and with the intention of alerting the Government to the unemployment situation in Gibraltar and asking them to take measures to make sure the situation does not get worse and to go towards the laudable objective of full employment in Gibraltar. We will have to abstain.

HON A J CANEPA:

Mr Speaker, on the amendment. I think the Honourable Mr Isola has misconstrued the reference to the initiation of detailed discussions between the Government and the TGWU. It welcomes the initiation of discussions that have already been announced. Following the submission of the memorandum by the TGWU, in a Press Release it was announced that detailed discussions would be held between the TGWU and the Department of Labour and Social Security on the points that were made in the memorandum. I do not think that it can be construed as meaning the initiation of detailed discussions on the question of the levy because then it should be, "and would welcome", the discussions have been initiated already.

HON CHIEF MINISTER:

Just a point for future guidance of Honourable Members, if I may, humbly. Please, when you draft your motions, do not say that the House urges the Government because the Government has got a majority in the House and it looks rather ridiculous, if I may say so, although I know it is done with the best of intentions, to urge us to do what you want without saying "proposes that the House may consider", but to urge the House when in fact the House is made up of the Mover and also of the Government and it puts us when looking at the thing, on the approach of it, apart from the merits, it puts us at a disadvantage. I just say this as guidance because this is how we look at it from the Government side.

HON J BOSSANO:

Mr Speaker, could I say a few words on the amended motion. I

note that the Honourable and Learned Leader of the Opposition says that I should not be supporting an amending motion that takes away the words 'full employment'. I am happy to commit myself to the measures necessary to achieve full employment. For me, this is not a pious hope or a laudable objective, I think the original motion is quite clearcut, it urges the Government to action the measures necessary to full employment, it is a sort of political commitment to full employment that is so clear cut that I have no hesitation in identifying myself with it completely. What I cannot understand is how it is consistent with all the arguments that have been put in support of the motion, I do not understand that. Supporting the original motion which I was quite happy to do which I would in fact prefer to the existing Government motion but I think the existing Government motion reflects a reality of Gibraltar's present economic structure. I think that the difference between the two is quite a fundamental difference of degree in that in the motion amended by the Government proposal, the measures concerned are clearly seen as one that will improve the situation and the improving of the situation means the reduction of unemployment and clearly if the improvement were 100% successful then the unemployment would be nil. There, for me, in improving the situation we are improving a situation in the direction of full employment with full employment as a laudable objective but not as a policy commitment and the original motion seeks a policy commitment, I am happy to support this policy commitment but I do not know how one can say 'to action the measures necessary' because I doubt very much if we could agree which are the measures necessary. I am quite happy to spell out to the House what I think are the necessary measures, I doubt very much whether the Mover of the motion would agree with me if I spelt out what my concept of the necessary measures are, whether he would agree with them, but I certainly would have preferred in support of a political commitment to full employment, some indication of what the Honourable Mover's Party considers are the necessary measures to lead to that situation. We have had no indication of that at all, all that we have had are the sort of measures that are only likely to improve the situation but certainly not to guarantee at the end of the day. I will be supporting the Government amendment and all I can say is that clearly as far as my insertion in there is concerned, it goes beyond my original proposal.

HON M K FEATHERSTONE:

Sir, I beg to move an amendment to the amendment.

MR SPEAKER:

Yes, I know what you intend to do but perhaps for the purposes of simplification will you please, before moving your amendment, let the House know what your intentions are and then perhaps the Honourable and Gallant Major Dellipiani, with the leave of the House, can withdraw his amendment and we do not have to go through the whole procedure then.

HON M K FEATHERSTONE:

Yes, Sir. The intentions of the amendment that I would propose would be to obviate the difficulty that the Opposition seem to find in voting for it and the wording would be as follows: "This House expresses its concern at the increase in the level of unemployment in Gibraltar, approves the measures being taken by the Government to improve the situation as announced in this House, notes the example of the Honourable J Bossano of a proposal for the introduction of a levy on all employers in Gibraltar to finance the creation of trainee vacancies for school-leavers, and welcomes the initiation of detailed discussions between the Government and the TGWU".

MR SPEAKER:

Is it acceptable to the House to give leave to Major Dellipiani to withdraw his amendment? We can do it in one of two ways, it is a simple matter. It is an amendment to an amendment.

HON J BOSSANO:

On a point of order. I do not want to mess up the possibility of reaching agreement on this otherwise we are going to be here all night. Doesn't the objection of not negating my original amendment now that it is the will of the House with my single vote, doesn't that hold in the use of the word "notes" which replaces effectively the word "action"?

MR SPEAKER:

I was given sight of that particular amendment and I am quite satisfied that it does not negative your vote, most certainly. I did look at that in the first place. I would like to hear from the Honourable and Gallant Major Dellipiani whether he is asking for leave of the House to withdraw his amendment.

HON MAJOR F J DELLIPIANI:

Mr Speaker, after listening to the other amendment I ask leave to withdraw my own amendment.

MR SPEAKER:

Does the House grant leave to the Honourable Major Dellipiani? It does, so now you can get up and formally propose the amendment to the original question as amended by the Honourable Mr Bossano.

HON M K FEATHERSTONE:

Sir, I would propose that the original motion, as amended, be amended by the deletion of all the words after 'This House' and the substitution of the words: "expresses its concern at

the increase in the level of unemployment in Gibraltar, approves the measures being taken by Government to improve the situation as announced in this House, notes the examples of the Honourable J Bossano of a proposal for the introduction of a levy on all employers in Gibraltar to finance the creation of trainee vacancies for school-leavers, and welcomes the initiation of detailed discussions between the Government and the TGWU". Sir, I think, with all due respect to the Honourable Major Dellipiani, this is perhaps a little better phrased than the one he had because the words 'to improve the situation' did seem to be rather out on a limb and I think it may also overcome the reluctance of the Opposition to accept this amendment so that we could have a unanimous vote in the House. I would like to bring up one or two points, Sir, both on the amendment and on the original motion. There are a number of jobs available in Gibraltar for which, unfortunately, no Gibraltarian or very few Gibraltarians seem to be willing to apply and I think that it would be a very good idea, as the Honourable Mr Isola has said, if teachers would get across to their pupils that it is not only the job that you are doing, it is the dignity of labour that has to be considered and the service to the community which is also a consideration. It has been said, Sir, that Gibraltar is a dirty town. I do not agree with that but I must accept that there are times when Gibraltar is dirty. At the end of Ramadan, at the Feast of the Lamb, and one or two other times when the Moroccan labour force all disappears and goes over to Morocco and Gibraltar is dirty because practically all the cleaners, all the road sweepers in Gibraltar, are Moroccan. At the same time the flushers of the streets are nearly all Moroccan. The gully emptiers, it is not a very nice job but it is an essential job. If we did not have our gullies emptied we would soon be overflowing with sewage. The maintenance of the roads, again, is another area in which practically all the labour force is Moroccan and I would hope that apart from training schemes for young Gibraltarians, other schemes should be put up to them that there are a fair number of jobs available in Gibraltar if they are willing to take them up. They have not; as I have said, up to the moment been doing so, perhaps because they do not appreciate that these jobs do a great service to the community and perhaps I might be sticking my neck out when I say that when the banding of a job is considered, the service element to the community should be taken into consideration and not just simply the skill of the job. One of the things that PWD have been considering should there be a continuing high level in unemployment is a much increased maintenance programme. This is something which can bear threefold benefit. First, it will give people employment, secondly, the money they earn will come back into the economy partly through income tax, partly through their spending power. Thirdly, they will not be a drain on the community by taking unemployment benefit and, of course, there is the overall benefit that our property, which is in dire need of improved maintenance, will get it at a faster rate than it has been getting it hitherto. I have nothing, of course, against training schemes, I think these are really

necessary. I would also mention another area where a measure of training can be given and where, again, we have very few Gibraltarians and that is in the gardens. We want to have Gibraltar beautiful, we want to have gardeners who have a love of the soil and this is another area in which Gibraltarians could take up employment and make us less dependent on foreign labour. I am not suggesting we throw out all the foreign labour tomorrow, but I am suggesting that these areas which today are dominated by foreign labour should be considered by the Gibraltarians as opportunities which they should take up in the future, after all, as I have said before, charity does begin at home.

Mr Speaker proposed the question in the terms of the Honourable M K Featherstone's amendment.

HON P J ISOLA:

We have been worn out and worn down. We are going to vote in favour of this amendment. It has been the best of a bad job. We would have welcomed the original motion as drafted to have been passed but I think that no useful purpose is served by proposing more amendments. Yes, we have heard of measures being taken by the Government, we have approved those, but it does not mean that we approve that all their measures are correct, we think there should be other measures, we have talked about it so, Mr Speaker, with that very short explanation of vote, we give in, we will vote in favour and we do welcome the initiation of discussions between the Government and TGWU. Any discussions that can help to improve the situation inevitably must be welcomed. Thank you.

Mr Speaker then put the question in the terms of the Honourable M K Featherstone's amendment which was resolved in the affirmative and the amendment was accordingly carried.

MR SPEAKER:

We are now back to the original debate. I do not know whether anyone wishes to speak. If no one does, I will ask the Honourable Mr Scott to wind up the debate and reply.

HON W T SCOTT:

Mr Speaker, I think every single Member by now is wishing that I would make a very, very short winding up speech which I will do. I do not think there is any necessity for me to reply in turn to each contributor except, perhaps, one comment I would like to make and that is on the contribution made by the Honourable Minister. I was much impressed by what he said contained although I feel that, perhaps, had he spoken immediately after I had, and introduced his original amendment, perhaps, we could have finished about an hour and a half or two hours ago. Mr Speaker, that is all I wish to say.

Mr Speaker then put the question which was resolved in the affirmative and the Honourable W T Scott's motion, as amended by the Honourable M K Featherstone, was accordingly passed.

The House recessed at 7.30 pm.

THURSDAY THE 29TH OCTOBER. 1981

The House resumed at 3.20 pm.

HON M K FEATHERSTONE:

In answer to Question 236 I did promise that the lists required would be circulated during the course of this meeting. They are now ready, may I have your permission to have them circulated?

MR SPEAKER:

Most certainly.

HON A J HAYNES:

Mr Speaker, I would like to give notice of my intention to adjourn my motion to the next proceedings of the House.

MR SPEAKER:

I am afraid that that is not possible. You can either withdraw the motion and then, of course, move it again at the next House or you can propose the motion and then ask for an adjournment but we cannot adjourn something which is not as yet before the House. You can withdraw now without the leave of the House because you have not proposed the motion or you can propose the motion and then ask for an adjournment.

HON A J HAYNES:

I shall withdraw the motion. I would like for the record to give the reason. The reason is that I think it would be more fitting and more conducive to full debate if the Honourable the Minister for Housing could be present. I extend my sympathies to him and I wish him a speedy recovery in time for the next meeting of the House.

MR SPEAKER:

I join with your words of good wishes to the Minister for a speedy recovery and we feel sure that we will see him again here at the next meeting.

HON J BOSSANO:

Mr Speaker, I beg to move the motion standing in my name, namely: "This House rejects the analysis and conclusions

contained in the Report of the Foreign Affairs Committee of the House of Commons. It further considers that its recommendations to Her Majesty's Government to grant EEC rights in Gibraltar, on the lifting of frontier restrictions, and amend Gibraltar's laws to give equality to Spanish Nationals are unacceptable and an unwarranted interference in Gibraltar's domestic affairs and in the legislative prerogatives of this House as enshrined in the Constitution". Mr Speaker, the Report of the Foreign Affairs Committee of the House of Commons needs no introduction from me. I think all Members of the House are as familiar with its contents as I am and I am sure as incensed about the analysis that it makes of the Gibraltar question and the conclusions that it comes to. I have no doubt that that analysis and conclusions is one that no Gibraltarian would come to and to my knowledge the only Gibraltarian that told the Committee otherwise was Mr J J Triay who, I understand, lives in Spain and to all intents and purposes has already changed his nationality. One of the remarkable things I think about this Report, and I challenged Mr McNamara on this point, was that the contribution of Mr J J Triay was not included in the Report notwithstanding the fact that the reason given for a lot of the contributions having been omitted was the poor recording and the fact that there were serious omissions in the recordings but Mr Triay's submission was not recorded, it was a memorandum handed in and just like the memorandum submitted by the Chief Minister on behalf of his party and that of the Leader of the Opposition on behalf of the DPBG were reproduced, what Mr Triay had to say could have been reproduced equally and I find it odd that a Committee that is supposedly unbiased and looking at the situation should have deliberately suppressed from publication such an important document. I call it important not because it reflects anything that anybody in Gibraltar feels but because it coincides so closely with the final recommendations of that Committee. In fact, the reason that I was given by Mr McNamara that they attached so little importance to it that they did not think they could be bothered with publishing it and I told him I was astonished to find that having attached so little importance to it they seemed to have borrowed about three quarters of the recommendations and incorporated it in their own. The case, in fact, made there was an eye opener to me because it gave a new perspective, as far as I was concerned, on what the Spanish Government might mean or understand by equality of rights and by reciprocity because I think for many of us the whole business of the quarrel about equality of rights has been a puzzling one because we have not really understood what were all these rights we were supposed to be denying the Spaniards but the interpretation put by Mr Triay in his submission to the Committee was that we already enjoyed a whole range of rights which had been given to us in 1969 when the law was changed specifically for our benefit in Spain and that the Spaniards had gone beyond the bounds of reasonableness in giving us rights and it was now our turn and it was only to be expected that it should now be our turn to extend to them the rights they had already extended to us for the last 14 years, by

decree. I do not know if in order to meet the criteria of equality precisely we also have to do it by decree but that is the point that Mr Triay does not go into. Nor does he go into, of course, the fact that in Spain the gap between the rights one has on paper and the rights one has in practice is so extensive that it is the rights in practice that concern us and not the ones on paper because we know any rights we got would not be worth the paper they are written on. But quite apart from that point, it gave me an insight into just how serious this question of giving Spanish nationals the rights in Gibraltar that they give us could be construed, how an interpretation could be put on it which I am sure is alien to any sensible Gibraltarian and I am therefore very glad that the House of Assembly has already pre-empted to a certain extent this situation by deciding unanimously that there is no question of Spanish Nationals being granted EEC rights in preference to other non-EEC Nationals and we also have of course another motion which was carried unanimously where we are looking as to what the implications are for the economy of Gibraltar of granting EEC rights, if and when, and I think there is a big if about Spanish entry into the Common Market and it is getting bigger daily I am glad to say, because I make no secret of the fact, Mr Speaker, that I do not want Spain in the Common Market and if I had the veto they would never get in, I do not want Britain in, either. I think we have pre-empted that possibility and therefore that in itself is one of the most serious, I think, and disappointing factors in the Report of the Foreign Affairs Committee. Here we have got a group of Parliamentarians, we pride ourselves in conducting our affairs in our House of Assembly by modelling it on Parliamentary practice, we are proud of our association with the Commonwealth through the Commonwealth Parliamentary Association and here we have a Select Committee of the House of Commons quoting a unanimous decision in their Report and then saying that that unanimous decision should be disregarded by Her Majesty's Government and the recommendation is to Parliament and it says that Her Majesty's Government should consider doing this in the knowledge that it goes against the wishes of the elected representatives of the people of Gibraltar as expressed in this House. There can only be one possible way of looking at this, the Select Committee is telling Parliament that they should tell the British Government that the British Government should tell us to do what we do not want to do and that seems to be an extraordinary way to behave. I can tell the House that not only have we put in a submission to Her Majesty's Government on this matter which we have made public, stressing in particular the departure from respect for Parliamentary democracy that is implicit in that Report in our judgement but that in fact I have used the opportunity that I had during my attendance as a guest of the Labour Party in Brighton, to tell brother Hooley and brother McNamara in no uncertain terms precisely what I thought of their Report, Mr Speaker. I will not repeat the language I used in this House, I am sure you would not want to rule me out of order on an important motion as this and I can tell the

House that when challenged at a personal level I have found that there was no way that they could justify or explain why they had come to the conclusions that they had come to. The only story that I got, Mr Speaker, was that the final draft of the Report was considerably better and more favourable to us than the original one. I cannot imagine what the original had to say on the subject unless they were saying that we should be handed lock, stock and barrel over to Spain the day after tomorrow because short of that I cannot see how there can be a vast improvement between what was eventually published and what was originally being prepared. The extraordinary thing is that as well as that, each individual member of the Committee comes back with the story that the final draft was a much more favourable one for Gibraltar because of his own contribution to making it more favourable. What nobody seems to be able to establish is who precisely is responsible for the very bad original draft, probably George Hills, or brother Hooley. The impression that I have, Mr Speaker, from having spoken to people on the front bench in the Labour Party is that this Report may not get beyond the stage of simply receiving an answer from Her Majesty's Government in Parliament which apparently is something that has to happen but that it is not necessarily going to be debated unless the Government decides to provide time for it. However, I feel that it is such a serious blow to the sort of relationship and trust that has existed between Gibraltar and the United Kingdom over the years, that even if it has no chance of being put into effect or of gaining the support of Parliament we should make our position crystal clear for the avoidance of any doubt and I have no doubt myself that even if it gets shelved some damage has already been done to our cause by its very existence and I think that any British Government defending its record over Gibraltar, defending its continued willingness to support our right of self determination, will find itself in an embarrassing situation when challenged at an international level by a Spanish representative saying: "Well your own Select Committee of your own Parliament is saying that you are wrong, it is not just us", and that I think is a serious thing to have happened and it is quite extraordinary that after having been to Gibraltar, after having had the full cooperation of all the people that they requested to see, after being told, Mr Speaker, for example, on this question of EEC rights that the view of the Trade Union Movement, apart from the view of the politicians, was that to grant EEC rights to Spanish Nationals in order to get the frontier opened without Spain being in the EEC would be effectively to betray our present immigrant labour force. Having used them for 14 years we now give them second class status compared to Spanish Nationals, we give Spanish Nationals priority over them as a *quid pro quo* to get the frontier open and the Committee was left in no doubt in Gibraltar that we have a debt, as the Honourable and Learned Leader of the Opposition mentioned in an earlier debate on unemployment, we have a debt to our immigrant workers which we have no intention of welshing on and the Committee was left in

no doubt that any attempt to do such a thing, which would be considered by the Trade Union Movement to be racially discriminatory because you would have two non-EEC Nationals and grant EEC rights to one and not to another and if we are prepared to grant EEC rights to non-EEC Nationals there is nothing to stop us doing that now because as I understand it what the Treaty of Rome says is that we cannot have a National of our own state, a Gibraltarian or a British citizen, being given priority over another EEC national but it does not say that we cannot have both EEC Nationals and non-EEC Nationals on an equal footing, it does not say the EEC Nationals, as I understand it, has to have priority over somebody else, what it says is an EEC National cannot be in an inferior position compared to somebody else otherwise even what they are asking for would be contrary to the Treaty of Rome but if it is permissible to do it in the case of Spanish Nationals, it must obviously be equally permissible to do it in the case of Moroccan nationals, Portuguese nationals, Indian nationals and all the other nationals of other non-EEC countries who are today working and have been working for many years in Gibraltar. The Committee was told that this would be in fact fought by the Trade Union Movement to the extent of taking industrial action on what was essentially a political issue because we have 2,500 Moroccan Trade Unionists who would not willingly see their right of employment in Gibraltar taken away from them, not because Spaniards would be entitled as a result of a Treaty but because Spaniards were simply asking for it as a quid pro quo for opening the frontier. So on that particular issue I was completely astonished to see the Committee disregarding the views of the House of Assembly, disregarding the views of organised labour and recommending something that would have very serious constitutional implications for Gibraltar because it would mean presumably an attempt on the part of Her Majesty's Government to legislate over our heads. If we were responsible in 1972 for changing the Control of Employment Ordinance, for changing the Immigration Control Ordinance, for changing all the Ordinances in order to comply with the Treaty of Rome, then, presumably, we would also be responsible now for changing those Ordinances in order to extend any such rights to Spanish nationals and if we refused to do it then, as far as I am aware from my reading of the Constitution, that is not a matter on which the Governor could introduce legislation and it would be a very, very serious constitutional crisis in Gibraltar. I cannot understand how the Foreign Affairs Committee could have made such a recommendation and ignored the seriousness of what they were recommending and its implications and ignore the fact that they were recommending something that they had been told specifically would lead to industrial strike in Gibraltar. The essence of this recommendation from this Report seems to be that having signed the Lisbon Agreement which, as the House well knows I do not support, the Spaniards have failed to comply with its requirements which as the House knows makes me quite happy, but are now trying to justify their failure by claiming that

implicit in the Agreement was something that is not explicit and as far as they are concerned what is implicit is the interpretation on the words "in the future" and they say that the future from the signing of the Agreement is the date of the opening of the frontier and presumably all the reciprocity and equality and the rest of it has to coincide with a future date which is the date on which the frontier opens and the date that was envisaged when the Agreement was signed in April last year. That interpretation is not shared by Her Majesty's Government or by the Chief Minister and the Leader of the Opposition and clearly, notwithstanding the fact that I do not support the Lisbon Agreement, out of comradeship, if nothing else, I support the interpretation put on it by the Chief Minister and the Honourable and Learned Leader of the Opposition. The Report, therefore, does not set out to judge who is right or who is wrong, does not set out to try and balance the validity of the arguments put by one side or the other but simply tries to cut the gordian knot in a very clumsy way says, "Well, the only way we are going to appease Spanish sensibilities" because this is what it amounts to, "is by giving them something because unless we give them something they are not going to implement the Lisbon Agreement and unless the Lisbon Agreement is implemented there seems to be no other way forward". That, in a nutshell, is the analytical process which makes them arrive at their conclusions and I cannot accept that analysis because that analysis is not pragmatic though it may appear to be so, it is simply dealing with things that for us are matters of fundamental principle in terms of let us find the solution that will work irrespective of what has to be given up along the road to find that solution. If we had been willing to accept that point of view, Mr Speaker, the difficulties with Spain would not have lasted as long as they have. If we had been willing to go along and say: "Well, what do we need to give Spain to keep them happy, what is it they want, let us find out, let us draw up a shopping list". The view of the shopping list is one that has been around before in Gibraltar and tends to appear now and again in the stuff that gets written in the PAG organ "Calpe News" but it is not the view that commands any respect or support in Gibraltar and the Foreign Affairs Committee seems to have given that insignificant view, because it is not even worthy of being called a minority view, that insignificant view, more weight than the collective view of the entire community put together. I can tell the House that certainly for all the good it did me I might as not well not have gone to see the Committee at all because there were volumes of stuff taped but not a word of it was reflected in the thinking of the Committee in the remotest possible way. They just noted the fact that I existed and that I had very strong views on the subject and that I was a hop in the context of pro-settlement or anti-settlement and that was it. The view of saying: "Well, we need to have those restrictions taken off, let us draw up a shopping list, what do we need to give the Spaniards in order to get them taken off?" Is a view that is totally unacceptable to the overwhelming majority of Gibraltarians. The people are only prepared to see the frontier opened

on the basis that it is a rectification of a mistake that was made in the past and to call it a mistake, in itself, I think, is already conceding a lot, Mr Speaker, because it was no mistake, it was an attempt to destroy us as a community, to destroy our economy, to strangle us, which has failed. The people in power today are not responsible for the initiation of that policy but they are responsible for its continuance and the whole political spectrum bears that responsibility and out of the political spectrum I am sorry to say it is the people on the left, more than on the right, who today are taking the more intransigent line and I believe that PSOE in Spain and the Communist Party in Spain and I wish I could say something different about it because I would prefer to be able to say that people who claim to be socialists can still feel Spanish and respect me for being a Socialist and a Gibraltarian but when I come across somebody who tells me that he is a Spaniard first and a Socialist second then I am afraid I have no choice but to be Gibraltarian first and a Socialist second as well. We have had in the last week or so the Spanish political parties on the left using Gibraltar as a diversionary tactic in exactly the same way as Franco used to use it in his days, saying that to join NATO is to give up the Spanish claim on sovereignty over Gibraltar. That is totally absurd, I wish it were so, I would advocate the Spanish entry into NATO immediately if that were so, but if the people who are saying that are totally opposed to NATO entry then it is irrelevant what Spain gives up or does not give up. It is quite clear that what they are doing is, they are saying: "Well, who are the people who support NATO entry, generally speaking the people on the right, the establishment, the Military Circle?" And who are the people who feel most strongly over the Gibraltar issue, the same people. So if we tell those people that there is a conflict between wanting Gibraltar and wanting NATO and that wanting NATO means give up wanting Gibraltar, their feelings on Gibraltar may be strong enough to weaken their commitment to NATO and it is quite obvious what the ploy is. How can we trust in anything that is being said on the other side of the frontier when we see Gibraltar being used as a political football for purely domestic political reasons and therefore, Mr Speaker, I think that we in this House of Assembly are closer to the problem, better able to judge the method of our people and better able to the reality and the sincerity of our neighbours than people in the United Kingdom and that they should accept and respect that and be guided by our advice in these matters and I think we must make it absolutely clear that it is our responsibility to protect the interest and the welfare of our people and that when it comes to making recommendations or taking decisions affecting Gibraltar's future it is the voice of Gibraltar that must carry the paramount weight, that is fundamental. Nor can I accept, Mr Speaker, the basis upon which the Report comes to its recommendations and conclusions, the fact that it points to Her Majesty's Government to do things which the people on that Committee know we do not want done, by suggesting that when it comes to Gibraltar's future there is a conflict of

interest or there could be a conflict of interest between Britain and ourselves. I accept there could be a conflict of interest between the Foreign Office view of what is good for Britain and ourselves and our view of what is good for Britain and ourselves but we have already seen such a conflict of interest in the case of British Citizenship, we have already seen how the official view can be overturned by the will of Parliament and therefore I cannot accept that our right, enshrined in the preamble to the Constitution, of having a safeguard that Gibraltar's sovereignty will not be altered without an Act of Parliament, can be seen as anything other than an extra guarantee and an extra protection. My interpretation of the reason why that is there is that if we had a conflict of interest or a difference of view between the official Government view, the official Foreign Office view, and Gibraltar, we could appeal to Parliament for protection, that is what that is there for, it is not there because there are two Parliaments, one in Gibraltar and one in the United Kingdom fighting each other, it is utter nonsense. There would have been no point in fighting for the link and in fighting to have that in the preamble if the reason why we had it there was so that Parliament could overrule Her Majesty's Government against Gibraltar's interests which is the implication of what the Foreign Affairs Committee says when it says that Her Majesty's Government owes itself to Parliament and not to us. We do not expect Her Majesty's Government to owe itself to anything other than Parliament but as far as we are concerned the British Parliament has got the same sort of responsibility for the people of Gibraltar, overall, a political and moral obligation to the people of Gibraltar as it has to anybody living in any corner of the United Kingdom because we are not a self-governing territory. We in Gibraltar have got limits in what we can do through the democratic process of electing our own representatives and because we have got limits, because we are not our own masters in our own house, those who are masters in our house have got the responsibility to us which is identical to the responsibility they have got to their own and that is what the Parliamentary guarantee is there for and, in fact, the Foreign Affairs Committee has attempted to turn it round on its head and say the opposite. It is for this reason that I think that it is important, apart from the representations that have already been made, that the will of the House on behalf of the people of Gibraltar should be put on record on this the first occasion we have had since the Foreign Affairs Committee Report came out and therefore, Mr Speaker, I commend the motion to the House.

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

HON CHIEF MINISTER:

Mr Speaker, I would like to congratulate the Honourable Member on the lucid and clear exposition of the Report of the Foreign

Affairs Committee of the House of Commons and there is very little that he has said with which I would not agree but he did state towards the end of his remarks something which is very relevant to the question of this motion which is the limits which we in this House have in respect of certain matters which is perfectly true. These are limits because there is another body which has the power that we have not got and that is the British Parliament and that is why, strictly speaking, it is not for the House of Assembly, I say strictly speaking and the Honourable Member will understand what I mean by talking strictly within the Constitution, to reject the conclusions of the Committee. Strictly speaking, it is the House to which the Committee Reports that has to reject it because the Report is made to the House of Commons. We have been advised, and let me say to the Honourable Member I am not proposing to throw cold water on anything that he has said, we have to take up a view, from the point of view of the resolutions of this House, that constitutionally has the same result that the Honourable Member wants but perhaps in a different way. We have been advised by many friends in Parliament, that Members of Parliament are very sensitive about Select Committees and are very defensive about their rights as I would say so-called impartial inquiries. I say so-called because if that is the case, this is the exception that proves the rule. That is why so far, as far as the Leader of the Opposition and I are concerned, the remarks that we have made about this Select Committee have been restrained and have been made more direct to the British Government. We have commented on the question of the EEC rights on the day of publication of the Report and the House itself has already passed a resolution as the Honourable Member has said, the resolution read: "Spanish nationals cannot be granted the same rights as EEC nationals in Gibraltar prior to obtaining full membership of the EEC". That is what the Spaniards would call the doctrine of the House of Assembly and it remains there as valid doctrine because it was passed unanimously. Whether we can go on repeating the same thing and it has the same purpose is another matter. The difficulty that there is about this matter in its purely strictly constitutional sense, is that apart from the fact that immigrants, immigration, residence and labour from abroad are not defined domestic matters and therefore whatever the views of the House may be the meaning which we may want to convey may be constitutionally incorrect, the point is that as a result of the European Communities Ordinance, all matters connected with right of residence, immigration and so on, even if they were defined domestic matters before, have been made non-defined domestic matters because that aspect of the law of the country, not only in Gibraltar but in the United Kingdom, has been made subject to the laws of the Community. It is not that it applies to us alone, it applies to Britain. By signing any international treaty which imposes a duty on the country signing it, it is in itself and it has been said many times, nothing new in this, in itself a country is giving away a

little but if its sovereignty, international sovereignty, as against, perhaps, the bigger wider sovereignty. So that really whilst agreeing with everything that the Honourable Member has said, it is very difficult to agree to the motion itself as it is phrased.

HON J BOSSANO:

Delete all the words after the words "this House?"

HON CHIEF MINISTER:

That is right. I hope you will not be very unhappy with the amendment. I think in the long-term the Honourable Member will see that there is an element of wisdom in what I am trying to do but I am sure he will agree with me that it is not any attempt to whittle down any of the remarks that he has said on which perhaps we may have expressed ourselves strongly, if not stronger, but in another forum. The point, of course, is strictly speaking, that the latter part of the motion is constitutionally unacceptable and we do not want, and I entirely respect the Honourable Member for his sincerity in doing it, but what we do not want is to be told, not "mind your own business", because it is our business and nobody would say that it is not our business, but "you are going around looking after your business in the wrong way." It is because of that that I have to bring an amendment to the motion of the Honourable Member. I hope he will not be very upset with this one but it says the same thing in diplomatic language and it is also to a purpose. I beg to move, Mr Speaker, that the words after 'This House' be substituted by the following: "(1) notes the House of Commons Foreign Affairs Committee's Report on Gibraltar; (2) regrets many of the conclusions and the recommendations in that Report and notes and endorses the action which has already been taken on this matter by the Chief Minister and the Leader of the Opposition on behalf of their respective parties; (3) notes - I cannot say "endorse" here - "the representations made by the Honourable J Bossano on behalf of the GSLP;" because that one rejects the Lisbon Agreement and that is where we differ. I looked at it very carefully and I would dearly have liked to have said "notes and endorses the representations made by the Honourable J Bossano" but looking at it very carefully, if we did that we would be rejecting the Lisbon Agreement and there is the area of difference between us on the approach.

HON J BOSSANO:

Mr Speaker, if the Honourable Member will give way. Surely, the converse applies. If I endorse what he has done and he accepts the Lisbon Agreement, surely the converse of that argument applies, if I endorse what the Honourable the Chief Minister and the Honourable and Learned Leader of the Opposition have done and they do not reject the Lisbon Agreement then I am endorsing his non-rejection.

HON CHIEF MINISTER:

Perhaps each clause can be taken separately and you vote against one and leave the others. This is the most important part and that is that the British Government has to make its views known, this is really the nub of the problem. When the Honourable Member was rightly saying that this thing can be thrown at us at any time, it will be thrown at us with less stress if there has been, as we hope there will be, I am not disclosing any secret knowledge, I am only expressing confidence, the confidence that we have in Parliament as has been expressed in another way by the Honourable Member, I am expressing it in respect of the reaction that the British Government will have to give. I do not know what they are going to say but where they will have to give precisely for all the reasons that the Honourable Member has put, the answer of the Government must necessarily be a rejection of the proposals because then we would be in the real soup and therefore, and this is the most important part; "(4) expresses every confidence that Her Majesty's Government response to the Report will take full account of the views put forward by the Chief Minister and the Leader of the Opposition" and, if you want we can add, "and the Honourable J Bossano". This is the amendment that I propose to move. I assure the Member that I do so after giving the matter a considerable amount of thought at the fact that we have to appeal to Members of Parliament, to the CPA and so on and whatever excuses the Members who have subscribed this Report; one of them used to say; "Oh, it is not a Gibraltar problem, it is a Spanish problem" but he signed the same as all the others. Perhaps it might be said here, Sir, as a matter of interest, that we were very agreeably surprised, at least I was very agreeably surprised, it does not mean the same as being happy, I was agreeably surprised to see the Chairman of the Committee coming to our reception in the House of Commons when he has never been to any of the CPA parties of the Gibraltar Group that I remember.

HON J BOSSANO:

Guilty conscience.

HON CHIEF MINISTER:

Mr Speaker, I beg to move the amendment.

MR SPEAKER:

Are we going to include the name of Mr Bossano in that amendment?

HON CHIEF MINISTER:

No, I said it casually. I was attempting to be kind, it is in contradiction to paragraph (3) Mr Speaker, I really must ask

the Honourable Member to look at this charitably and make sure that it is not intended in any way to minimise the strength of feeling of the House or any of the very logical arguments that he has put forward in connection with the Foreign Affairs Committee. It is in that spirit, Mr Speaker, that I put forward the amendment.

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

HON P J ISOLA:

Mr Speaker, let me say straight away that I agree with everything that has been said so far. I agree with all the points that have been made. I must say that I was very dismayed when I heard about the conclusions in the Report as, indeed, everybody in Gibraltar was. It seemed incredible to me that a Foreign Affairs Committee of the House of Commons which is really the bastion of liberty and the bastion of pro-Gibraltar feeling and the rights of people to determine their own future, that a Committee from that House should make the sort of recommendation that it made and my first reaction to the Report when it first came out was that it would put at risk the chances on the British Nationality Bill because I thought that any Member of the House of Commons who read this Report and had any regard for the views of the Members might take a different view as to what the people of Gibraltar had been fighting for during the last seventeen years. The Report seems to make it look as if everybody here is very well off and it was about time we made other people better off. It was a bad Report, Mr Speaker, it was influenced by the two professors who assisted the Committee both of whom have houses in Spain and things like that and close connections, it was assisted by a bit of the evidence they got in Spain and it was a clumsy Report and the recommendations, naturally, are quite unacceptable to us in Gibraltar and I am sure they would be quite unacceptable to the British Government, in fact, I have every confidence that they must be, having regard to the fact that the recommendations of the Committee went completely counter to the evidence that was given to the Committee by the Foreign Office, the Ministry of Defence, the Gibraltar representatives, everybody who knew the problem intimately. On the British side, let us put it that way, the Committee's Report went completely counter to them and completely endorsed what the professors wanted for us, completely endorsed the way the professors wanted to carry on living with great friendships in Spain and the Spanish Government and wanted I suppose, to take full part in the historical process as they call it in Spain and so forth. Frankly, I am not now that worried about it because after our visit recently to the House of Commons I was pleasantly surprised that really not many Members of Parliament had read the report, in fact, I did not meet anyone who had, except the one who thought he had to read it because

he wanted to reply to it and he was on our side. But, of course, it is a report that is there in the House of Commons and I think that our response has been the right response. We have made our representations as strongly as we can on the report to the British Government and because of the confusion, possibly, that the Report may put in people's minds, we have set out a few basic facts about the Gibraltar problem in this pamphlet that the Chief Minister, and myself issued, "The Truth About Gibraltar". I think that sets everything in perspective, sets the Gibraltar position and I would certainly be quite happy to be judged by people reading the Foreign Affairs Committee Report and reading this and making their own judgement. I have every confidence that any person who is unbiased, objective or reasonable, would certainly, come down on our side and, equally, I am quite sure the British Government must respond to the report in a way having regard to the evidence that they themselves gave, having regard to their intimate connection with us and their support, must respond in a way that will be eminently satisfactory to us in Gibraltar, I hope, and satisfy of course the many Members of Parliament who are our friends. I agree with what the Chief Minister has said about the diplomatic language that is required on these occasions. I know my Honourable Friend Mr Bossano likes to be rather direct in his statements and in his motions. I think that is his trade union training but I think it is difficult for this House, when we are not in a state of war with the British House of Commons, I think it is difficult for us to give the appearance that we are interfering in the affairs of the House of Commons and in the report that their committees make to the House of Commons and I think if we want to say no to the report as we have done, of course, everybody has done already, the Honourable Mr Bossano has done it himself on his own, the Chief Minister and myself have done it in joint communications and it is very clear, but I think, on the record, we should not appear to be telling the House of Commons how they should run their own affairs. I think sufficient is said in the amendment of the Chief Minister to express, in diplomatic language, our complete disagreement with the report and our confidence that the British Government in its response to the Report will uphold our position. I certainly agree with the amendment, will certainly support it, and I hope that once the British Government response has gone in, this Report will be laid to rest. Unfortunately, it will be in the Library of the House of Commons, I suppose, and unfortunately we have not heard the last of it as far as the Spanish Government and as far as Professor Hills is concerned. He will now not have to refer to "The Rock of Contention" when he argues the position, he will refer to the brilliant report of the Foreign Affairs Committee and this is the way the Spanish Government built up its case on Gibraltar. It refers to resolutions which they themselves have promoted and which they themselves have done deals on, then they refer them to the resolutions of the United Nations and I think Professor Hills, having lived so much in Spain and being so close to the

Spanish way of life, will now be saying how this Committee of the House of Commons said this; and they said what he strongly recommended that they ought to say, but it will be used by the Spanish side and we will have to live with it. The response will be there, there will be the British Government response, there is our own response and we are a small place, people say that whatever we say we should get it out throughout the world, well, I think we do and we have to try and do it but we have to rely very heavily, really on the British Government to do it, in Brussels and everywhere else because they are the people who have got the wherewithal to disseminate the Gibraltar case. As far as we can do it ourselves I think we do it and we continue to do it. This Report is an unfortunate event in the history of Gibraltar/British Parliament relations and I hope that the British Government's response will put it to rest and that we can go on living the way we have been used to and on the assurances that we have been used to. I do not think we have much to fear but I hope the Honourable Mr Bossano accepts this amendment which rejects the Report in diplomatic language and, more importantly, expresses confidence that the British Government will take full account of the views that are being put from Gibraltar on the Report and reject it themselves, possibly also in diplomatic language.

HON J BOSSANO:

On the amendment, Mr Speaker. The Honourable and Learned Leader of the Opposition is quite right about my aversion to diplomatic language which stems not least from its total confusion as far as I am concerned. Because one thing that I do note is that the House notes the Foreign Affairs Committee Report and also notes what I have had to say on the subject. If that is an indication of the feelings of the House then I certainly do not like being bracketted with the Foreign Affairs Committee. I appreciate the support in the contribution of the Honourable and Learned the Chief Minister and the Honourable and Learned the Leader of the Opposition. It is not the first time, Mr Speaker, that I have been told that there is total agreement with the sentiments that I express but not with the way that I express my sentiments in Motions. Perhaps one should send copies of Hansards to the Commons and then that would make things easier, so that they know our views. I am afraid there is one element in the amendment, apart from the fact, quite frankly, that I put things in strong terms because that is the way I tend to express myself and also because I tend ideologically to feel that that is the way one should say things, in clear-cut terms. I am not very keen in using diplomatic language. Apart from my aversion to that on that basis I am afraid there is one fundamental point here which I cannot support. It is something that I did not mention in introducing the motion, Mr Speaker. I deliberately avoided it because there was a difference of opinion on this issue between myself and the Chief Minister and the Leader of the Opposition on the other hand and I preferred to let that difference stay

dead and buried but I cannot now endorse an action which I have already criticised publicly. I think that has to be understood. In fact, in my own representations to Her Majesty's Government, I made clear by specific reference to the Chief Minister and the Leader of the Opposition, that notwithstanding the fact that I was making a unilateral representation on the subject, I was convinced that the views in the Foreign Affairs Committee were as unacceptable to the Chief Minister and the Leader of the Opposition as they were to our own Party and I put that as part of the memorandum which was made public. I prefer not to go into my criticism of the original action, I do not want to open old wounds if we are on the same wavelength now, let us keep it that way, but I cannot endorse what has taken place and really I am not familiar with the precise contents of the detailed memorandum that was sent to the United Kingdom by the Chief Minister and the Leader of the Opposition.

HON CHIEF MINISTER:

If the Honourable Member will give way. I was not referring to anything he did not know, I was referring to the communique that we issued immediately after as I gave in my answer to the Honourable Major Peliza in my account of what had been done since the Foreign Affairs Committee Report, the communique that we had issued and the attitude that we had taken. I am not referring to anything that the House is not aware of.

HON J BOSSANO:

I understand that there was, apart from the original response which was an immediate response the day the report was published, there was a longer and more detailed one.

HON CHIEF MINISTER:

But we are not referring to that here because that has not been made public.

HON J BOSSANO:

Presumably that is part of the action that has been taken and I would have thought if the House is endorsing the action that has been taken, it is endorsing all the different things that have been done as a response. The action that I took, Mr Speaker, was to send a memorandum to the British Government for them to take that memorandum into account in answering the Foreign Affairs Committee Report and I made that memorandum public. People can agree or disagree or endorse it or reject it but it is there for anybody to read. I have not read what the Chief Minister and the Leader of the Opposition have sent. There is no reason why I should read it because I am not a party to it. The facts about Gibraltar which was issued recently was issued in the name of the Chief Minister and the

Leader of the Opposition and signed by them. If I were to vote my endorsement to that then I would have endorsed it by going along and signing it in the first place. I am afraid I cannot do it. I do not want to take a critical position of the Chief Minister and the Leader of the Opposition in what they are doing because if they do things one way and I do things another way because we have got different approaches to a common problem, I do not want that to be misunderstood into being seen or that it should be suggested that I believe that what we all want at the end of the day is something different. It is just that I believe that the approach should be one and that my approach will get us there but I accept that I could be wrong and other people could be right. But I cannot endorse the way they are doing it otherwise I would do it that way myself. I am afraid it is going to be impossible for me to accept that part.

HON CHIEF MINISTER:

Mr Speaker, may I just mention a matter of procedure on this. I wonder whether the amendment could be taken paragraph by paragraph and then the Honourable Member could abstain or whatever in respect of the second paragraph.

HON J BOSSANO:

If we take it that I have just given way, Mr Speaker, then I can carry on. I think the only problem with that is that much as I regret that we should only be regretting the conclusions, I still want to regret it and therefore if I abstain on that one I am abstaining on an important element in the motion. What I cannot do, I am afraid, is endorse the action that has been taken. I would not like to vote against the action that has been taken, I just have a different point of view, so I would not like to vote against the action taken by the Chief Minister and the Leader of the Opposition. On the other hand, I would not like to abstain on the only part of the motion that makes any reference to the conclusions of the report.

HON CHIEF MINISTER:

Mr Speaker, this is a matter of great national importance. May I make a slight rehashing of the numbering and leaving 1. as it is. 2. "regrets many of the conclusions and recommendations in that report" and 3. "notes and endorses the action which has already been taken". 4. "notes the representations by the Honourable J Bossano"; and 5. "expresses every confidence..." so that in that case the "regrets many of the conclusions and recommendations in that report," can be voted unanimously.

MR SPEAKER:

I would then suggest for the purposes of procedure that a member of the Government who has not spoken should propose an amendment to the amendment.

HON A J CANEPA:

Mr Speaker, I beg to move an amendment to the Chief Minister's amendment but would sub-divide paragraph 2 into two paragraphs.

MR SPEAKER:

You want to delete the word 'and'.

HON A J CANEPA:

Delete the word 'and' in the second line of paragraph 2; insert the figure (3) in front of the word 'notes' in that second line and consequentially renumber paragraph (3) as paragraph (4) and paragraph (4) as paragraph (5) in the Chief Minister's amendment. I beg so to move, Mr Speaker.

Mr Speaker proposed the question in the terms of the Honourable A J Canepa's amendment to the amendment.

HON J BOSSANO:

Mr Speaker, I have a slight problem also with paragraph (5) which expresses every confidence that Her Majesty's Government's response to the Report will take full account of the views put forward by the Chief Minister and the Leader of the Opposition. I would not wish not to express confidence that Her Majesty's Government will take full account because I feel that if they take full account then that will be sufficient. On the other hand, having noted that I myself have made representations we are not expecting Her Majesty's Government to take account of what I have had to say on the subject and if I am to be completely honest with the House I cannot say with my hand on my heart that I can express full confidence that Her Majesty's Government takes full account of anything I ever say on any subject. I want to be as accommodating as possible because I feel above all else the last thing that we want is that we should have serious divisions amongst ourselves on this subject and yet I cannot see how I can express full confidence, although I want, in fact, I want to make it quite clear that the last thing I want is that Her Majesty's Government should ignore the views of the Chief Minister and the Leader of the Opposition because I think that would be a disaster. If their views were ignored which by implication are more diplomatic than mine, then I stand no chance at all, Mr Speaker, I do not know whether Members feel that they can express confidence that full account will be taken on my representations but I would be delighted to hear that they can.

HON CHIEF MINISTER:

I will get one of my many Members to move another amendment and I hope it is acceptable to the Leader of the Opposition, I have not been able to make any telegraphic contact with him but if we are going to make this a composite thing that is going to be

acceptable perhaps the last paragraph might read; "expresses every confidence that Her Majesty's Government's response to the Report will take full account of the wishes of the people of Gibraltar".

HON M K FEATHERSTONE:

Sir, I beg to make an amendment to paragraph (5) which will delete all the words after the last "the" in the second line and to put instead "wishes of the people of Gibraltar".

HON P J ISOLA:

Mr Speaker, I think I can go along with that.

MR SPEAKER:

I will propose the question which is that the amendment to the amendment be further amended by the deletion of all the words after the word "the" in the fifth paragraph thereof and the substitution therefore of the words "wishes of the people of Gibraltar".

HON P J ISOLA:

Mr Speaker, I think we would support that amendment. I think it is a much fairer amendment as long as the Honourable Mr Bossano bears in mind that here we are referring to the wishes of the inhabitants of Gibraltar and not to the newspaper.

Mr Speaker then put the question in the terms of the Honourable M K Featherstone's amendment which was resolved in the affirmative and the amendment was accordingly carried.

Mr Speaker then put the question in the terms of the Honourable A J Canepa's amendment, as amended, which was resolved in the affirmative and the Honourable A J Canepa's amendment, as amended, was accordingly carried.

MR SPEAKER:

I will remind the House that the question before the House is the amendment as moved by the Honourable and Learned Chief Minister with the amendments to it that were proposed by the Honourable Mr Canepa and the Honourable Mr Featherstone. Does any Honourable Member wish to speak on the question as it stands?

HON MAJOR F J DELLIPIANI:

Mr Speaker, when the Foreign Affairs Committee's Report became public quite a few good friends of Gibraltar who had read them immediately approached me and said; "Be careful how you handle the situation, the House of Commons is very sensitive towards

how we might criticise their Select Committee etc, they are very protective". I think this is true, I think we would probably be protective towards our own Select Committee if they were criticised by anybody else. Notwithstanding that my biggest surprise of the Foreign Affairs Committee Report was that one of the advisers there had given evidence for the Committee and that really shocked me and I did not know that when I appeared. I think I would have made a few remarks if I had known. It is very significant that the two advisers have very close connection with Spain. We know that one of the professors has a house near Rota and the other one, his mother is half Spanish, I think, and in fact a Basque. I wonder if we could describe him as a little basket."

HON CHIEF MINISTER:

Mr Speaker, I think the main spirit that comes out of this is that when it comes to big things, as the Honourable Mr Bossano said yesterday in another connection, we try and get together and we try and find a dignified answer to meet, within the general spectrum of protection of Gibraltar, the varying approaches to the matter and I hope, first of all, that it is in order to put the various paragraphs separately for voting and I do hope that the Honourable Mr Bossano will see his way just to abstain on paragraph 3.

Mr Speaker then put the question in the terms of paragraphs (1), (2), (4), and (5) of the Honourable the Chief Minister's amendment which read as follows:-

- (1) notes the House of Commons Foreign Affairs Committee's Report on Gibraltar;
- (2) Regrets many of the conclusions and the recommendations in that Report;
- (4) notes the representations made by the Honourable J Bossano on behalf of the GSLP; and
- (5) expresses every confidence that Her Majesty's Government's response to the Report will take full account of the wishes of the people of Gibraltar".

The question was resolved in the affirmative.

Mr Speaker then put the question in the terms of paragraph (3) of the Honourable the Chief Minister's amendment which read as follows:-

- (3) notes and endorses the action which has already been taken on this matter by the Chief Minister and the Leader of the Opposition on behalf of their respective parties;

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

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

The following Honourable Member abstained:

The Hon J Bossano

The following Honourable Members were absent from the Chamber:

The Hon G T Restano  
 The Hon H J Zammitt

The Honourable the Chief Minister's amendment, as amended, was accordingly passed.

MR SPEAKER:

You may be surprised to hear this but you now have to take another vote which is exactly the same because we now have before the House the motion originally moved by the Honourable J Bossano, as amended.

Mr Speaker then put the question in the terms of the Honourable J Bossano's motion, as amended, which now read as follows:

"This House -

- (1) notes the House of Commons Foreign Affairs Committee's Report on Gibraltar;
- (2) regrets many of the conclusions and the recommendations in that Report;
- (3) notes and endorses the action which has already been taken on this matter by the Chief Minister and the Leader of the Opposition on behalf of their respective parties;
- (4) notes the representations made by the Honourable J Bossano on behalf of the GSLP; and
- (5) expresses every confidence that Her Majesty's Government's response to the Report will take full account of the wishes of the people of Gibraltar".

On a vote being taken on paragraphs (1), (2), (4) and (5) of the motion the question was resolved in the affirmative.

On a vote being taken on paragraph (3) of the motion the following Honourable Members voted in favour:

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

The following Honourable Members abstained:

The Hon J Bossano

The following Honourable Members were absent from the Chamber:

The Hon G T Restano  
The Hon H J Zammit

The Honourable J Bossano's motion, as amended, was accordingly passed.

#### BILLS

#### SECOND READING

THE LANDLORD AND TENANT (TEMPORARY REQUIREMENTS AS TO NOTICE) ORDINANCE, 1981.

HON CHIEF MINISTER:

Mr Speaker, I beg to move that this Bill be read a second time. Mr Speaker, earlier on in these proceedings we agreed to set up a Select Committee to look into the question of the Landlord and Tenant (Miscellaneous Provisions) Ordinance and generally in respect of dwellings and business premises. As is well known, in July of this year the Government published and we had a First Reading of the amendment to the Landlord and Tenant (Miscellaneous Provisions) Ordinance and at that time, it was at the beginning of the last meeting before the summer recess, I said that we were only going to give a First Reading to the Bill in order to give people time to make representations because it was a matter of very wide interest and it was necessary to do so in that way. It is well known that as a

result of that considerable amount of interest has arisen on both sides of the spectrum of the interested parties, that is, the tenants and the landlords, and also in between the people who may not be affected but who have an interest in justice being done generally and so on. It was also represented that one had to be careful in the circumstances of Gibraltar not to do anything that might possibly affect the prospects of investment on which we spoke about at great length yesterday in another context and which was necessary to safeguard and for that reason the Select Committee was appointed. The position now is, of course, that because of the publication of the draft Bill, we do not want people to rush into taking advantage of a situation because the law is going to be changed, to the detriment, particularly of tenants, and this draft Bill is to make purely temporary provision in respect of all tenancies, that is, contractual and statutory tenancies, relating to the periods of notice required to increase rents and terminate tenancies. I would like to say that it does only refer to the increase of rents and the termination of tenancies, it does not affect, for example, the right of landlords to evict tenants who do not pay rent and does not deprive tenants of their present rights under the Landlord and Tenant (Miscellaneous Provisions) Ordinance. It purely freezes notices of all tenancies, and it is intended to be of all tenancies including furnished tenancies, for a period of six months and it refers, of course, to the two periods; one under Clause 3, subsection 1 which is the notice to increase the rent payable in respect of the tenancy, or a notice determining the tenancy has been made any rule of law. Under Clause 2 it shall apply to a notice described in that subsection served by a landlord on a tenant at any time on or after the 7th of July being the date of the publication of the Landlord and Tenant (Miscellaneous Provisions) Bill. The Bill would remain in force until the 30th April, 1982 and would then expire. It imposes no new requirements and in fact where by law or contract a longer period would apply, it does not interfere with it. Where a notice is given during the period the Bill will remain, in effect, the minimum period required by the Bill for any notice so issued must continue to run even though the period will expire on or after the 30th April, 1982. The enforcement of the Ordinance is the time that applies to the period of notice. There are excepted from the scope of the Bill notices of permitted increases under Section 9 of the Landlord and Tenant (Miscellaneous Provisions) Ordinance, where a tenant has sublet the protected tenancy. As is well known, when a tenant sublets a protected tenancy he has to give a 25% increase of the rent to the landlord and that, of course, is protected. There are also excepted under the provisions, notices to determine tenancies served by reason of non-payment of rent that is already legally payable. Of course, the Courts in that case have always got the right of release on payment of the amount due so that there is really no real hardship. I understand there is a valid comment by the Honourable Leader of the Opposition which we will deal with when we come

to the Committee Stage about the dates of the notices. At this stage, Mr Speaker, I commend the second reading of 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, I must confess that we have not really had that much time to examine this Bill because, unfortunately, I was otherwise engaged this morning. The point I made, I think, to the Honourable and Learned Attorney-General is that the six months period should really start as from now to end on the 30th April, 1982, so that notices that have been given after the 7th July should really be extended until then which will cover the period during which we hope our Select Committee will make the recommendations although I have my doubts as to whether they will do this by the 30th April, 1982. I hope they will. That is one point. The other point I make is that we are not covered, of course, in respect to any orders for possession, any actual cases that may be in the pipeline for possession, they would be gone. If there are proceedings before the Courts now for possession in respect of notices given before, they might be caught. I think what this Bill intends is a moratorium excepting certain defined instances and then I wonder whether there may not be a need for more amendments. We support the Bill pending the Report of the Select Committee.

HON J BOSSANO:

Mr Speaker, I will be voting against the Bill as it stands although I will be moving amendments which would make the Bill a moratorium; I do not think it is at the moment. I hope I have understood it correctly but on the basis of my reading of the Bill all it does is it says that rents cannot be increased at less than six monthly intervals, there is no question of how large or how small the increase has got to be.

HON CHIEF MINISTER:

If the Honourable Member will give way. The point that is intended is that the people who are now in tenancies, because there is this possibility that there may or may not be some restrictions on it, landlords cannot take advantage of giving notice and getting themselves into the act, so to speak. Take, for example, furnished flats which it applies to because it applies to all tenants, furnished flats. Nobody can now be said to be thrown out. In order to increase the rent of a

furnished flat you have to give notice and therefore you would have to give six months notice. The idea is that by that time, at least if not the full recommendations of the Select Committee, perhaps there may be some interim recommendations that would substitute this legislation. Really, in a way, it is a moratorium on increases of rent for six months because in fact it freezes rents in that it cannot be altered without giving six month's notice whereas now in a furnished flat you could do it by giving one week's notice.

HON J BOSSANO:

I think it will fail to do that. I think what would happen would be that anybody, for example, who had been given notice on the 8th July that his rent was going to be doubled, would find it doubled on the 8th January after the six months and presumably would have to be repaid what he had already been paying extra since July. What subsection 2 of Section 3 does is to say that the six months notice is made retrospective to the 7th July in those instances where the rent has already been increased so, presumably, although it does not say so here, the tenant would be able to recover the rent he has already paid.

HON CHIEF MINISTER:

That is the point made by the Leader of the Opposition.

HON J BOSSANO:

But apart from that it would seem to me that whether it is six months from July or six months from today, in six months time whatever rent increase the landlord has given notice of he will be able to implement.

HON CHIEF MINISTER:

Unless, of course, by that time there is some legislation limiting that and that is why it is a moratorium.

HON J BOSSANO:

In that case, Mr Speaker, I would put it to the House, and I shall be moving amendments at the Committee Stage to that effect, that we should amend Section 2, subsection 1, which has the date on which the Ordinance expires and remove the date of expiration and that therefore the Ordinance should remain in force until it is repealed by legislation that introduces controls, therefore, the moratorium would be there, not for six months, but for whatever period the moratorium is necessary.

HON J B PEREZ:

If the Honourable Member would give way. We would still have the problem because the Ordinance only requires the landlord in cases like dealing with post-war houses, to give six months notice, that is the requirement under this proposed Bill. For however long the Bill becomes law, becomes the Ordinance, say, if you have it for another year, the requirement is still only of the six months notice.

HON J BOSSANO:

No, Mr Speaker, I am about to change that now.

MR SPEAKER:

We still have got the Committee Stage where we can deal with this. We are talking on the general principles.

HON J BOSSANO:

Yes, I accept that it is the general principles but in a Bill that runs to three pages, Mr Speaker, and where I am seeking to change half of them I do not see how I can talk about the general principles.

MR SPEAKER:

That will come in due course at the Committee Stage.

HON J BOSSANO:

I prefer to do it now, Mr Speaker, because at the Committee Stage I am likely to find that people have not had sufficient notice of my intentions, this is why I am putting it now, and because as far as I am concerned the amendment that I will be moving at the Committee Stage goes to the heart of the general principles of the Bill.

MR SPEAKER:

I think you are right in giving notice of your intentions, in principle, to the amendments you are going to give but let us not discuss the merits of the amendments.

HON J BOSSANO:

I think the Honourable Member pre-empted what I was going to say next by thinking that I was just seeking to change the date. I am not only seeking to change the date, I am seeking to change the date and also to eliminate the six months by having the provisions in subsection 2 of Section 3 re-worded to say that "no notice to increase the rent or to determine a tenancy

would be valid until such time and on such terms provided for by the Ordinance that repeals this law". As far as I am concerned that is the only way that this law could be considered a moratorium. If the moratorium is for six months in the expectation that there will be something to replace it in six months, then let us make it an open-ended moratorium and if the replacement of this law is ready in six months then there will be no difference, if it is sooner than six months it can be done sooner, and if it is later it can be done later but if in fact on the 30th April we are not ready with anything to replace this, there is nothing to stop people on the 1st May doing what we are seeking to prevent them doing now and therefore, as far as I am concerned, and I am convinced myself from my own experience of Select Committees, Mr Speaker, that with something as controversial and as complex as housing legislation, to really give the Select Committee the task of coming up with anything worth looking at in as short a period as that, to my mind, is asking the impossible. I would say if there are people who are confident that it can be done then my amendment, by removing the time limit and making it a total rent freeze and a freeze on eviction until there is a law that provides on what terms this can happen, would in essence not change anything. If in fact this is not going to provide the protection then, obviously, my amendments would and this would not.

HON ATTORNEY-GENERAL:

Mr Speaker, the situation we are dealing with, I think is the case where the House knows it is going to review at length the Landlord and Tenant legislation and is taking an interim and a definite, and I think it is very important, a temporary step to freeze the position pending the general review. I do think the word temporary is important because I think it is not beyond the bounds of possibility, especially in respect of retrospective measures, that some people may think they can challenge the measure. I myself do not believe that it is open to challenge but I do think it is an important point having regard to the case law which is being developed in Gibraltar on landlord and tenant, to stress the temporary nature of the moratorium and for that reason, with respect, I do not really think it is possible to say that we will freeze rent increases or determinations until such time as this House enacts better legislation dealing with those increases and then they may only be unfrozen in accordance with the legislation, I think there must be certainty and it must be initially of temporary duration and of course it is always open to the House to come back again before that period is up and do something else. The principle which the Bill at present incorporates, if I can just restate it again, is over and above all other rules relating to landlords and tenants to superimpose a requirement that during the continuance of this Bill a minimum six months period of notice must be observed for either increasing rent or determining it. If, in fact, under the contract or under some other rule of law a longer period of notice is required then, of course, that will

prevail. The point made by the Honourable and Learned Leader of the Opposition that that may be fine as far as notice given on or after the date on which this Bill comes into operation are concerned, but we are seeking to deal with the situation of notices given after the Government disclosed the measure that was introduced into the House in July, the main Bill, which has now been referred to the Select Committee, so we have to cover that situation. It seems to me that there are two ways we can do it. We can either put a longer period of notice in for the situation of a notice that was given before this Bill comes into operation or we can simply say that the moratorium will have effect until the 1st May 1982, and any notice that has been given or is given on or after the 7th July and before that date, whatever other law governs that will not in any event take effect until the 1st May. Once we get to the 1st May then we would have to look at the terms of the contract concerned or the statutory tenancy concerned but if we just freeze everything until that date, and I must say if the Government were to endorse this I think this is the better approach and that would cover the point, I think, raised by the Honourable and Learned Leader of the Opposition. The only other matter I would like to refer to myself is the question of proceedings which are already pending. There may be situations where a notice has already been given and has had its legal effect inasmuch as it has given rise to an action in the Courts and there may, in fact, have been a possessorial order already made or one may be under consideration by the Courts. I think myself that is not a situation that we can properly legislate for at this stage, if matters have gone that far then I think we must let the Court process take its course.

MR SPEAKER:

Does the Chief Minister wish to reply?

HON CHIEF MINISTER:

Yes, I just want to deal with the main points dealt with by the Honourable Mr Bossano. If it is left at large then it is not a moratorium, it is a change of the law until another change comes and therefore there is a danger that it could be found not to be within the rules. We are taking a very strong step in cutting down the rights of owners of flats, properties and so on, in freezing them for six months and therefore.....

HON J BOSSANO:

Mr Speaker, if the Honourable Member would give way. Is he suggesting that it is normal for a landlord to raise the rent more than twice a year? All that the law is saying is that a landlord needs to give six months' notice in order to increase the rent which means that he could not increase it more frequently than twice a year. To my knowledge there are very

few landlords that seek to increase rents at more than six monthly intervals. If there is no limit to how much the rent can be increased by anyway, I do not see really where the moratorium comes in.

MR SPEAKER:

I think what the Bill wishes to do is to prevent a host of landlords taking advantage.

HON CHIEF MINISTER:

That is the point. The point is that this arises because already we know, at least, there have been some complaints, I will put it that way, that since the publication of the Bill some people have wanted to act quickly in case the date of the Bill is changed or whatever and what we do not want, it is not that people normally do that, but we do not want anybody to take advantage without legislation that later on may be said that then we are acting retrospectively to upset something. Take an example that somebody increases the rent of a furnished flat by 100%, put the extreme case, and then the Select Committee makes perhaps an interim report and says that no increases in rent, since they have been considering the matter, should be more than 50%, then this protects the position whilst the matter is being looked into, it does not do any more but it does a lot in that respect in that it freezes the so-called abuse of some landlords. To some landlords it may mean nothing because they do not intend to increase the rent anyhow. This, if I may say so, mainly affects two areas and that is furnished flats and post-war dwellings because the others are already protected, that is all and that is what we want to do for six months. The other point is, alright, if the Committee were not to give us an indication by the March meeting, and we must have a March meeting because we always have a meeting before the Estimates so we must have a meeting whatever happens sometime in March. If we were to have an indication from the Select Committee in February or so that they were not going to be ready in March then, of course, we would review the situation and have another temporary Bill. It is not nice to do this but it is necessary if we are going to keep to the temporary nature of the measure because otherwise it could be challenged because it is interfering with people's rights in a rather draconian way, it may not appear to be but it does and therefore we have to do it carefully and we have to do it for a short period. Other than the point raised by Mr Isola on the question of the notice as given in July, whether the aim should be nine months instead of six months or whatever, I think that that is really the purpose of the Bill. We will look at any amendment that the Honourable Member may wish to think up but it ought to be looked at in the light of that thinking and that thinking only. A moratorium means a holding-up operation, a holding-up operation cannot be a forever holding-up operation.

HON J BOSSANO:

There was one point that I would like to clear up. Surely, Mr Speaker, the original Government Bill which is not being proceeded with at this stage, I assume it is still somewhere in the pipeline because we had notice of it originally in the House and it is not being proceeded with, that Bill provided that rents could not be increased by more than 10% in twelve months since the 7th July so that gave more protection and was more of a moratorium than this is.

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

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

The following Honourable Member voted against:

The Hon J Bossano

The following Honourable Members were absent from the Chamber:

The Hon G T Restano  
The Hon H J Zammitt

The Bill was read a second time.

The House recessed at 5.15 pm.

The House resumed at 5.40 pm.

#### COMMITTEE STAGE AND THIRD READING

HON ATTORNEY GENERAL:

Mr Speaker, I have the honour to move that the House resolve itself into Committee to consider the Landlord and Tenant (Temporary Requirements as to Notice) Bill, 1981, clause by clause.

HON M K FEATHERSTONE:

On a point of interest. Will the preamble appear in the Bill because it is rather overtaken by events, isn't it?

HON ATTORNEY GENERAL:

Mr Chairman, it will appear in the Bill and I think it is desirable, it is not strictly necessary legally but I think it is desirable.

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

#### Clause 2

HON J BOSSANO:

Mr Chairman, I beg to move that subclause 1 of Clause 2 be deleted and that subclause (2) and (3) be renumbered (1) and (2).

MR SPEAKER:

Do you wish to speak on your amendment?

HON J BOSSANO:

Mr Speaker, I take the point made by the Honourable and Learned Attorney General. My amendment seeks to remove the expiration date of the Ordinance and therefore the renumbering of Clauses 2 and 3 is consequential and the amendment I am proposing to Clause 2 provides a reference to a further Ordinance that will repeal this one and as far as I am concerned that indicates its temporary nature. I take the point made by the Attorney General but I am afraid I cannot accept that the argument is strong enough to overcome my objections to having a date on the Ordinance as it is. As far as I am concerned, if the amendment is defeated, then the Honourable and Learned the Chief Minister has indicated that the Government will, if necessary, legislate before that date and I would certainly, if the Government did not do it, I would seek to introduce a Private Member's motion to do it but at this stage I am still pursuing the point that I made earlier about moving the date.

Mr Speaker proposed the question in the terms of the Honourable J Bossano's amendment.

HON ATTORNEY GENERAL:

Mr Chairman, I do not think that my repeating my argument will make it any stronger in the Honourable Member's eyes but I do repeat that I think it is important that this Bill be expressed at this stage as a temporary measure.

HON A J HAYNES:

Mr Speaker, on the amendment to subclause (1) to be deleted from Clause 2 and given the fear expressed by the Leader of

the Opposition and enjoined by the Chief Minister regarding notices given on the 7th July, perhaps instead of an April date, it should be a date which coincides with six months from July and thereafter it could be renewed. If it is January then it could be renewed in January for a further six months, that would bring all the notices together.

HON CHIEF MINISTER:

The Attorney General proposes to do the same thing in another way and that is to make two dates, one for all six months of any notice made which may have been given from the 7 July onwards. He thinks that that would achieve the same objective, but perhaps he might explain that.

HON ATTORNEY GENERAL:

I think the objection which I understand the Honourable and Learned Member has in mind, namely, to bring together the expiry dates, will be achieved by the amendments I will be proposing to Clause 3 of the Bill. It won't put them on in tandem, as it were on the 1st July but it will put them in tandem as at the 1st May.

Mr Speaker put the question in the terms of the Honourable J Bossano's amendment and on a vote being taken the following Honourable Member voted in favour:

The Hon J Bossano

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 A J Haynes  
The Hon A T Loddio  
The Hon Major R J Peliza  
The Hon J B Perez  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon D Hull  
The Hon R J Wallace

The following Honourable Members were absent from the Chamber:

The Hon P J Isola  
The Hon G T Restano  
The Hon H J Zammitt

The amendment was accordingly defeated and Clause 2 stood part of the Bill.

### Clause 3

HON ATTORNEY GENERAL:

Mr Chairman, I beg to move that Clause 3 (1) be amended as follows:

- (i) by the deletion of the words "expiration of six months from the date of the service on the tenant of the notice" in both places where these words appear and the substitution thereof by the words "1st day of May, 1982".
- (ii) by the deletion of the words "of expiration" where they appear in the 9th line thereof.

HON J BOSSANO:

Mr Speaker, I will support this amendment because obviously it moves in the direction that I want to move the Bill in that I want a permanent moratorium and this effectively instead of making the moratorium six months from July makes it six months from now.

HON A J HAYNES:

Mr Speaker, it has been pointed out to me that the words 'or until' three lines from the end of that subsection are superfluous.

HON ATTORNEY GENERAL:

If the Honourable Member will give way. I think he is overlooking the fact that after the first "until" the words "1st day of May, 1982" will appear. The purpose of the second circumstance, if I can call it that, is to make it clear that even when the 1st May, 1982, comes if, in fact, the notice by virtue of the contract or the statutory tenancy is still to expire, then the tenant has the benefit of the second option.

Mr Speaker then put the question in the terms of the Honourable the Attorney General's amendment which was resolved in the affirmative and the amendment was accordingly carried.

HON J BOSSANO:

Mr Speaker, I have an amendment to subclause 1 of Clause 3 and subclause 2 of Clause 3. My amendment is, Mr Speaker, that subclause 1 of Clause 3 be amended by the insertion of the words "the 7th July, 1981, and until" between the words "after" and "the" in the first line thereof. This would mean that the provisions in subclause 1 would be limited to the notices given between the 7th July and the day the Ordinance comes into force and consequently the question of a rent increase which is already under notice or which is already in implementation,

would be deferred until the 1st May, 1982, following the amendment by the Honourable and Learned Attorney General. And to provide for cases, from now on I will be moving the amendment of subclause 2, I do not know whether I should explain that now because the two things are linked, Mr Speaker.

MR SPEAKER:

Could you repeat that, please.

HON J BOSSANO:

I am saying that my subsequent amendment to subclause 2 is relevant to the amendment I am making now because in the absence of the knowledge as to how I propose to amend subclause 2, it would appear that I am moving an amendment that will give protection until the Bill comes into force and therefore cease to have any effect at all. I would need to explain that in my second amendment I will propose that the whole of subclause 2 be deleted because subclause 2 makes reference to the 7th July, 1981, which I have already provided for by inserting the words '7th July 1981' in the first line of subclause 1 of Clause 3 and in substitution of these words that subclause 2 should read "otherwise than as provided for in subsection (1) of this section no notice to increase the rent payable in respect of the tenancy or a notice determining the tenancy shall be valid until such time and on such terms as are provided for in the Ordinance that repeals this Ordinance". In my judgement that is what would make this a moratorium and not anything else because, effectively, it would be saying the people who have already been given notice are given a measure of protection in that the validity of that notice is now extended until May next year. When this becomes law nobody can take action against the tenant other than as provided for in section 4, subsection (2) which is in cases of non-payment of rent, until the new proposals are brought in and the terms on which notices and increases can be made are brought in. If we are talking about a moratorium then I think this constitutes a moratorium, this simply constitutes a deferment of what can be done without any limit on how much rents can be increased or anything less. I commend the amendment to the House.

MR SPEAKER:

I will propose the amendment which is that Clause 3, subclause (1) be amended by the addition of the words "the 7th July, 1981, and until" between the words "after" and "the" where they appear in the first line of this subclause.

HON ATTORNEY GENERAL:

May I say at the outset, I think I now know how the Honourable Members feel when their motions are amended by deleting all the words after "this House". I cannot really do more than repeat

what I have already said on this point, namely, that I think it is essential that because we are, I won't say intruding, but we are controlling the rights or the interests of a certain group which happens here to be the landlord, I do think that really we must move by imposing temporary controls and I think myself that it would not, if I may say so and not be misunderstood by saying it, it would not be sound practice to impose what is in effect a moratorium indefinitely until such time as the House may take permanent action, I think it must be for term finite as this stage, that would be my own view.

MR SPEAKER:

Do you wish to reply, Mr Bossano?

HON J BOSSANO:

Mr Speaker, the three amendments, in fact, that I have moved are linked to the same position and there is a fundamental difference in the position.

Mr Speaker put the question in the terms of the Honourable J Bossano's amendment and on a vote being taken the following Honourable Member voted in favour:

The Hon J Bossano

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 A J Haynes  
The Hon A T Lodd  
The Hon Major R J Peliza  
The Hon J B Perez  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon D Hull  
The Hon R J Wallace

The following Honourable Members were absent from the Chamber:

The Hon P J Isola  
The Hon G T Restano  
The Hon H J Zammit

The amendment was accordingly defeated.

MR SPEAKER:

Do you then propose to go on with your second amendment?

HON J BOSSANO:

I think I might as well just for the sake of consistency. I beg to move that subclause (2) of Clause 3 be amended by deleting all the words that appear therein and substituting the words "otherwise than as provided for in subsection (1) of this section no notice to increase the rent payable in respect of the tenancy or a notice determining the tenancy shall be valid until such time and on such terms as are provided for in the Ordinance that repeals this Ordinance".

Mr Speaker proposed the question in the terms of the Honourable J Bossano's amendment.

HON CHIEF MINISTER:

There is a flaw in that in any case because there need not be an Ordinance to repeal this Ordinance because this Ordinance has an expiry date.

HON J BOSSANO:

Which I have sought to remove, Mr Speaker.

HON ATTORNEY GENERAL:

Mr Speaker, the Honourable Member has already taken the point that when I made my intervention before I was in effect speaking to the principle which I think covers this point as well as the previous amendment that he proposed.

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

The Hon J Bossano

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 A J Haynes  
The Hon A T Loddó  
The Hon Major R J Peliza  
The Hon J B Perez  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon D Hull  
The Hon R J Wallace

The following Honourable Members were absent from the Chamber:

The Hon P J Isola  
The Hon G T Restano  
The Hon H J Zammitt

The amendment was accordingly defeated.

Clause 3, as amended, stood part of the Bill.

Clause 4.

HON A J HAYNES:

On Clause 4(2) I notice that the section is limited to cases where rent is owing, I would suggest that the Fourth Schedule of the main Ordinance which is the descriptive Schedule to section 22 covers a number of other grounds which offer protection to the landlord in cases where the tenant could severely prejudice his property rights. Perhaps, I do not need to list them all or read it out in full but they include the power of the landlord to obtain possession on unfurnished premises even where no alternative accommodation has been provided on certain grounds. Sir, I understand the fact that it is unfurnished accommodation which means it is not particularly connected with this or exclusively governed in this temporary Ordinance but the principles behind the Fourth Schedule describes the right of possession where rent has not been paid. Section (b) covers the landlord where a tenant or one of his sub-tenants has been guilty of conduct which is a nuisance or annoyance to adjoining property owners and so forth. Section (c) is perhaps not relevant, that is where a contract for sale has been entered into previously by the landlord and we might find landlords in breach of an agreement to sell and therefore liable to damages. Section (d) where the tenant has assigned or sublet part of the dwelling house and Section (e) where the dwelling house is still overcrowded as to be dangerous or injurious to the health of the inmates. There are two other subsections to the Fourth Schedule which concern the landlord's wish to apply the dwelling house for his own use or the use of his employees. I think perhaps for a six months period we can do without those two provisos but the ones which include a nuisance and a threat to the public health should perhaps be considered as valid exceptions to be included in Section 4, subsection (2) and similarly perhaps a tied cottage should also be included in the exception. Perhaps I can hear the views of the Attorney General on the point as to whether it would be unconstitutional not to include these things if they go against measures for which the public health is empowered to act.

HON ATTORNEY GENERAL:

May I say at once, Mr Chairman, that I think certainly as far as nuisances are concerned, there is substance in the point.

Can I also say at once that I do not think it is a question of being constitutional or unconstitutional but I think it is a question of sound policy, if I may say so, in relation to the existing laws. If I can have a moment to consult I think there is something to be looked at here.

MR SPEAKER:

You wish to have a few minutes to look into this, is that what you are saying?

HON ATTORNEY GENERAL:

Yes, if I may, Sir, it is quite an important point.

HON A J HAYNES:

Mr Chairman, perhaps on a drafting point, the proposed draft could be read in terms of; "section 3 shall not apply to any notice determining a tenancy if, but only if, subsections (a), (b), (c), (d) and (e) of the Fourth Schedule to the main Ordinance apply", that would, I think, be a way of circumventing the problem.

MR SPEAKER:

But I imagine, of course, that you would still have to leave the question of non-payment of rent.

HON A J HAYNES:

That is section (a).

HON CHIEF MINISTER:

I think if we have to safeguard the rights of people, I think we might as well take up the whole of the Fourth Schedule because that is much better. It was not intended to take that right away and there is no reason why they should be stopped because these are all exceptional cases. I am very grateful for the suggestion.

HON A J HAYNES:

I am much obliged for the kind words of the Chief Minister.

HON ATTORNEY GENERAL:

If I may, Mr Chairman, I do not know whether the Honourable Member has moved an amendment but I think I would prefer to draft the amendment.

MR SPEAKER:

I think the Honourable Member has suggested that you, as mover of the Bill, should propose an amendment.

HON ATTORNEY GENERAL:

In that case, Mr Chairman, I am indebted to him for his proposal and I think I prefer to deal with it by way of a new subclause because we are talking about a particular situation namely, special grounds under the Landlord and Tenant Ordinance.

HON A J HAYNES:

I would bow to the Attorney General's superior drafting ability in any event.

HON ATTORNEY GENERAL:

I do not wish to hold up the House, Mr Speaker.

MR SPEAKER:

We have to because we are in Committee.

HON A J HAYNES:

The other point which I had in mind which I am not sure where it should come in, perhaps it should come under exceptions. I have no definite proof that such cases exist but I have been told that certain tenants have already been effectively ousted as a result of being given notice of an increase in rent and thereby being more or less obliged to leave the premises.

HON CHIEF MINISTER:

That is not possible. We cannot retro-act against Court Orders.

HON A J HAYNES:

It was a point I considered but I did not know how to get round it myself.

MR SPEAKER:

Perhaps you may wish to substitute subclause (2) of Clause 4 for a new subclause, is that right?

HON ATTORNEY GENERAL:

It would be a new subclause (3) because it is a special situation, I think.

MR SPEAKER:

A new subclause (3)?

HON CHIEF MINISTER:

Clause 4, new subclause (3).

MR SPEAKER:

I would suggest that perhaps section 3 shall not apply to any notice determining a tenancy, if but only if, it is on any grounds provided for in the Fourth Schedule to the Principal Ordinance.

HON ATTORNEY GENERAL:

I think we would still need subclause 2.

HON CHIEF MINISTER:

We cannot give a right to people to live for six months without paying rent.

MR SPEAKER:

But isn't the question of rent the first thing dealt in the Fourth Schedule of the principal Ordinance?

HON CHIEF MINISTER:

Yes, I beg your pardon.

HON ATTORNEY GENERAL:

Mr Chairman, it seems to me that we have two situations. Is the policy of the Bill as presented to the House dealing with contractual tenancies or tenancies at large, to say that if rent is in arrears then you cannot get the benefit of the six months moratorium and that proposition, I think, goes beyond simply the statutory tenancies under the Landlord and Tenants legislation but in addition, as I understand the point made by my Honourable and Learned Friend, he is saying that we ought to also exclude it from the extension of the six months of the notice rule, recovery in the case of statutory tenancies on the specific grounds enumerated in the Fourth Schedule to the Landlord and Tenant Ordinance and I think, therefore, logically that would be a separate subsection dealing with that particular situation.

MR SPEAKER:

But doesn't the Fourth Schedule deal with the non-payment of rent?

HON ATTORNEY GENERAL:

But only in the cases of the tenancies to which it applies and

that, so far as we are concerned, is also a general proposition to cover all other tenancies.

HON A J HAYNES:

Mr Chairman, if one reverts to Clause 2 of the Bill and inserts a further subclause, subclause 4, that subclause 4 could read in the terms of the Fourth Schedule and thereby make the Fourth Schedule of the principal Ordinance applicable to all these tenancies.

HON ATTORNEY GENERAL:

Mr Chairman, if I may, I think I have a wording that would meet the situation. Would you like me to read it or would you like me to deliver it to you first?

MR SPEAKER:

Read it first.

HON ATTORNEY GENERAL:

In Clause 4 to insert as subclause 3 the following new subclause "(3) Section 3 shall not apply to any notice to determine any tenancy being a tenancy to which the Fourth Schedule to the Principal Ordinance applies on any grounds specified in that Schedule." I think that will meet the point made by the Honourable Mr Haynes.

HON A J HAYNES:

Except, Mr Chairman, that it will not protect the landlord of a furnished dwelling in respect of these matters.

HON CHIEF MINISTER:

Under the general Ordinance they are not protected, they are not statutory acts. It is a matter of not increasing the rent. In the case of a furnished flat, the only thing that there is protection is not to increase the rent but it does not prevent an action, say, for nuisance, a civil action for nuisance or anything like that proceeding. The only point that you give is the protection of freezing the rent and therefore this one is a statutory protection, the other is a common law or law of general tenancy protection.

HON A J HAYNES:

But there is also protection in respect of a furnished dwelling for notice to quit so this Ordinance will provide protection to the tenant of a furnished dwelling as against notice to quit and the landlord will only be able to ignore this temporary Bill, if and only if, the tenant in the furnished dwelling fails to pay rent.

HON CHIEF MINISTER:

No, his rights remain in every way except the right of the landlord at common law, whatever it is remains the same except insofar as increase of rent, it is specified.

MR SPEAKER:

Can we have the amendment.

HON A J HAYNES:

Mr Chairman, I don't wish to labour the point but I am generally perplexed in this matter. As I understand it the Bill proposes, among other things, to offer protection to the tenants of furnished dwellings against any notice to terminate the tenancy, for six months. During those six months when he is protected not only from rent which is not our interest, I am talking specifically about a furnished dwelling, the tenant of a furnished dwelling is protected for six months from the notice determining the tenancy. There is a proviso in section 4, subsection (2) whereby the landlord will be empowered to evict the tenant notwithstanding the six months provision provided he does not pay rent. That means that, in effect, again just talking simply about the tenant of furnished accommodation who has been given notice to quit and that's it, that tenant will be able to enjoy the six months protection at the old level. We are not talking about an increase in rent, we are talking about a tenant of a furnished accommodation who has been given notice to quit by the landlord on any of these grounds because the Fourth Schedule doesn't apply to a furnished dwelling because the landlord can get rid of him whenever he wants but, of course, if any of these facts were applicable to the case, the landlord would evict the tenant, not only because he is entitled under the law and the man has no protection, but naturally as a good landlord he would want to avoid having a bad tenant and therefore he would use his power to evict in these circumstances. What I am saying is, if the Bill goes through as drafted, the landlord, in the case of a tenant of furnished accommodation, will not be able to evict a tenant even though the tenant has done any of these things. What I am getting at is that the Fourth Schedule of the Ordinance should apply to both unfurnished and furnished accommodation even though in itself, in the principal Ordinance, it only applies to unfurnished accommodation and that is the point I would like to see. The drafting of the Attorney General ensures that as regards unfurnished dwellings the landlord's protection or powers within the Fourth Schedule are preserved. I would like to see in respect of furnished accommodation similar powers to these to be granted to the tenant and perhaps the easiest way would be to remove Section 2 and start again by rewriting Section 2 to read: "Section 3 shall not apply to any notice determining a tenancy if, but only if, in the case of any of the tenancies referred to under Section 2(3) of this Ordinance".

MR SPEAKER:

I think that your point would be met by the manner in which I suggested it should be amended because it does apply to any tenancy and it applies on the grounds specified in the Fourth Schedule to any tenancy.

HON CHIEF MINISTER:

Mr Chairman, I think we are really in a bit of a difficulty and I think that ten minutes recess might help us. We are getting into very delicate ground and we don't want to do more than we have come here to do.

MR SPEAKER:

Most certainly. Let us have a short recess to enable the matter to be resolved.

HON ATTORNEY GENERAL:

Mr Chairman, I am grateful to the House for its indulgence while this matter was looked at. May I, by the leave of the House, withdraw the amendment which I think I have already put to you and in its place propose another amendment to Clause 4.

This was agreed to.

HON ATTORNEY GENERAL:

I move the following amendment. In Clause 4 to delete subclause (2) and to substitute the following new subclause: "(2) Section 3 shall not apply to any notice determining a tenancy by reason only of any act or omission by the tenant (other than a refusal or failure by the tenant to agree to an increased rent to be paid by him to the landlord), being an act or omission that entitles the landlord absolutely or at the discretion of any court or tribunal to determine the tenancy". If I may just explain the amendment. The objective of the Government is to create a moratorium for notice to increase rents and notices to determine tenancies simply in order to increase them. It is not the Government's propose to impose a moratorium for notices to determine tenancies for any other reason and so it seems to me the scheme that this would adopt would be to describe the general proposition in subclause (3) which is already there, and then to provide a sufficiently wide exception in subclause (4)(2) and I would like in proposing the exception, and in my draft I have endeavoured to achieve this, to avoid referring to any specific statute, in other words, we are dealing with tenancies generally and so I have couched it in as wide a term as possible. I am grateful to the Honourable and Learned Member for drawing my attention to this important point and I think this amendment should achieve the purpose.

Mr Speaker then put the question in the terms of the Honourable the Attorney General's amendment which was resolved in the affirmative and the amendment was accordingly passed.

Clause 4, as amended, was agreed to and stood part of the Bill.

Clause 5.

HON ATTORNEY GENERAL:

Mr Chairman, in consequence of the amendment to subclause (1) of Clause 3, Clause 5(2) would no longer be necessary. Accordingly, I move the deletion of that subclause.

Mr Speaker put the question in the terms of the Honourable the Attorney General's amendment which was resolved in the affirmative and Clause 5, as amended, was agreed to and stood part of the Bill.

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

### THIRD READING

HON ATTORNEY GENERAL:

Mr Speaker, I have the honour to report that the House has considered, in Committee, the Landlord and Tenant (Temporary Requirements as to Notice) Bill, 1981, and recommend that it be passed with the amendments shown and I accordingly move that it be read a third time and passed.

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

### ADJOURNMENT

HON CHIEF MINISTER:

Mr Speaker, I beg to move that this House do adjourn sine die.

MR SPEAKER:

I now propose the question in terms of the motion proposed by the Honourable and Learned Chief Minister that this House do now adjourn sine die and in so doing I will call on the Honourable and Gallant Major Peliza to exercise his right to raise a matter on the adjournment.

HON MAJOR R J PELIZA:

Mr Speaker, I know we have had a rather long session.

MR SPEAKER:

May I say that if you look at the clock now it is exactly 6.45 pm.

HON MAJOR R J PELIZA:

It is a quarter to seven now, yes, I know. It is really forty minutes, isn't it, but, of course, I definitely intend to allow time for the Minister to answer. As I was saying, Mr Speaker, I know that we have had rather long and very interesting debates but we are really getting tired by now, I can see it in the Member's faces, and it is certainly not the best time to try and deliberate on a matter on which a vote is not taken at the end and therefore it is very much like asking a question without expecting the listener to give a reply which normally means that no one listens to the question and certainly, Mr Speaker, I would not bring the matter to the House if it were not a matter of £10m, that is the matter that we are discussing here tonight and also, Mr Speaker, because the people who are concerned in this trade are all very worried by the trend that this has been taking the last two years, getting worse as it goes along and with no hope at the moment of the situation getting any better. Mr Speaker, if we look back we have what was called the winter of discontent of 1980, then I think we can call this summer, the summer of deception, now this present winter of depression and if we are not careful we are going to have a 1982 of disaster and there is very little time in which to avoid that situation. We have but a few months to go now if whatever marketing we are going to do is going to be effective and this is one of the reasons, Mr Speaker, why very much against my wishes, knowing that I am not going to gain any personal popularity by keeping the Members in the House any longer, of course, they are always free to go, they know they can if they want to, it is simply because I think that this House cannot wait another four or five weeks to have their attention drawn to the very serious situation and the despondency, Mr Speaker, that is beginning to overtake the people of the industry. I have had an opportunity of talking, going round and chatting to the people concerned and I have not heard one person say: "Things are not too bad". They all say: "It is terrible". If you ask whether things are likely to get better, they all say; "No, you might be told by the Government that they are expecting great things but certainly nobody believes that the situation is getting any better". That, in my view, Mr Speaker, is a terrible situation for this industry to be in. They are completely, totally, demoralised and some people are already discharging labour. I was told only today that it is not only inside the industry but other persons working for the tourist trade are being discharged.

HON J B PEREZ:

Mr Speaker, on a point of order, if I may. Did the Honourable

Member give notice that he wanted to raise matters of the Tourist Survey Report or is he talking about tourism in general?

MR SPEAKER:

The Honourable Major Peliza gave notice that he wished to raise the question of the 1980 Tourist Survey Report and matters related with the tourist trade, generally, on the adjournment.

HON MAJOR R J PELIZA:

If we look, Mr Speaker, and this is one of the reasons why I have raised the matter here because it so happens that the Government laid the Report on the table at this meeting and, naturally, I and I think the trade, generally, are extremely interested in this Report but what I think is very disconcerting is to read in paragraph 1 under (a) Sampling method, and I will not read the whole thing but the last paragraph, almost half way down the page, says: "A total of 200 interviews were satisfactorily completed. It is considered that the sample size is not large enough for a seasonal analysis of the results to be meaningful". So how meaningful is the Report and why bother to have a Report which is not meaningful? I do not say it is meaningless, of course, I do not think it is meaningless, I think that there is a lot in the Report that is useful but I think that something should be done so that this Report on the future is not described as not being meaningful which is in fact what that sentence says. One of the reasons they say is because they have only taken 200 samples. The cost, if the Minister looks on the previous page right at the bottom, it says: "The cost of the survey in terms of payment made to interviewers was £90". On a business for Gibraltar which is worth £10m, to spend £90 to produce a Report which is not meaningful shows, Mr Speaker, how little interest the Department is taking on the marketing of tourism for Gibraltar because otherwise this could not have happened and it is clear, therefore, Mr Speaker, why those concerned with the trade are so despondent. Add to that the fact that all those concerned have been asking for the formation of an Advisory Board in which they can contribute with their knowledge to improve the situation in Gibraltar and the lack of interest on the part of the Government to try and form one once and for all, adds again to the belief that the Government does not really care about tourism in Gibraltar. I do not believe that the Government does not care but I do believe that they have been incompetent and I do believe that this very serious matter for Gibraltar must be aired and I do believe that we must urge the Government to do something serious about it and not just come to this House giving answers to questions which in many cases are not complete, accepting motions of the House where it says: "Yes, with urgency we are going to form a Tourist Board". This was last November, Mr Speaker, it is now a year and the Board is not in

existence, Mr Speaker, and that to me is not fitting this very important matter of finance to Gibraltar with any sense of interest, in fact, I would say even with no sense of responsibility because if a Minister undertakes to follow a decision of this House one can expect him to do so and if he does not do so within a couple of months, he should come and say: "We cannot do it and therefore I am not going to do it", but not dilly-dally and waste time for over twelve months, leaving the trade not knowing whether they are coming or going and this is the position of the trade here in Gibraltar today. Mr Speaker, it is interesting in the Report to read how money comes to Gibraltar and I think rather than think of visitors and numbers, after all, we are interested in the takings. Where do we get most, where can we get more from? In this Report it says: Visitors: Arrivals at hotels is £5.8m; excursionists from Morocco £.743m; excursionists from Cruises £.604m; visitors from Yachts £1.169m; visitors in supplementary accommodation £2.023m; in-transit visitors £.014m; the total being £10.421m. I think it is a very good sum of money and I think it is something that we do really want to preserve and increase. I do not know, Mr Speaker, what are the marketing arrangements, what plans the Tourist Office has got, but based on this I would like to hear the Minister give some convincing schemes to improve those which are doing well and to do something about those which are not doing so well. What are the plans, what is the scheme, what do they expect that to produce? It is no use, Mr Speaker, to produce a plan without having targets. It is very important to have targets, it is very important that those targets should be made public because that is the only way that we are going to measure whether the Government is producing results because if we have schemes without targets it is like a business which decides how much they are going to spend in advertising, how much money they are going to put into stock, etc., etc., without working out how much they have got to sell to be able to pay for all those expenses. I think it is a principle of anything that we do in this life, to set ourselves a target that not only makes the plan much more realistic and also those concerned much more responsible in producing the plan but also urges everybody who is working to achieve that target to put all their energy, all their knowledge into the scheme whatever it may be. That, Mr Speaker, we have not seen in the past, that I would like to see the Minister adopt and I wonder whether the Minister would say whether he can and is prepared to accept that challenge of setting himself targets for the industry and then, if they achieve it, say why they have achieved it; if they do not, explain why they have not done it. That, in my view, is the way, as I said before, not only to put more impetus in the plan and the scheme but also, I think, Mr Speaker, to learn from the mistakes to carry out sound analysis of what has happened today so that we do not make the same mistakes tomorrow and so adapt our marketing, our schemes, to the situation of the future. It is interesting to see, Mr Speaker, how it is that we get the people to Gibraltar. It is rather interesting that from personal recommendation we get

39%, from Travel Agents we get 26% and from advertising 17%, then articles in the press 5% and other methods 13%. I would like to know, Mr Speaker, if this has been taken into account in the past and how they have geared their marketing plan as to what has happened in the past and how they have geared it for the future. I would like to know that because it is only by knowing what they have done in the past in this respect, whether they have produced results, and how they are gearing for the future to see if we are going to have similar results. Personal recommendation obviously is important, in fact, it is a very high figure, 39%. That tells us that that perhaps is a successful way of bettering our business. If, with the situation as it is in Gibraltar, we can get 39% on personal recommendation, it shows that if we were to improve our product that figure might rise very considerably. The Department should apply itself very, very seriously to improving the product. In improving the product we want to do a number of things, as I see it. First of all, we want to improve the amenities in Gibraltar. Secondly, we want to give character to Gibraltar. Thirdly, Mr Speaker, we must ensure that the standard of our accommodation and services are good and, lastly, and perhaps the most important, that there are means of bringing tourists to Gibraltar, in other words, air communications. Perhaps I would like to start with the last one, air communications. I understand that many people who have wanted to come to Gibraltar have been going to Tourist Agents and have been told that Gibraltar is full when we all know that Gibraltar has not been full. This has been going on, apparently, for months. What did they do to prevent that situation from recurring and it has been recurring all the time? What action did they take? I have come on many occasions and not only are the hotels not full but the aircraft in which I have been travelling has not been full. Some coordination is required to make sure that this does not occur. The situation, of course, is very difficult when the planes are full and I must say that on many occasions they are full and I personally who travel quite a bit, find it extremely difficult to get on planes now and again. I hear that what they say is that lots of seats intended for tourists are taken by other travellers who come over to see families and so on. Whilst I appreciate that the tourist must be given a good deal of priority because they do bring the money that enables Gibraltar to tick, at the same time we must not forget the family passenger who in the present circumstances of Gibraltar must get that attention and must be given facilities, certainly within means of the majority of the Gibraltarians so that they are able to continue to come and go either for pleasure, recreation or for other reasons, perhaps, to see relations in England and so on and so forth. Whilst thinking of the tourist, and I plead with the Minister to realise this, he must not forget that very important traffic between Gibraltar and Britain. In this respect I would like to hear if the Government has got a scheme in mind. This is not the first year that this has happened, this has been

endemic, it has been slightly improved, I think, by the fact that charter planes started coming over but somehow we seem to have got back to the terrible situation whereby there are not enough seats on the plane. I do not know whether this is related to fewer tourists staying in Gibraltar or not. I do know, and the Minister must know, that a number of travel agents are no longer selling Gibraltar and that is serious because we find, if we look at that Report that I mentioned before, that 26% come on recommendation from Travel Agents, that is also a very high figure. Therefore we have to think first of personal recommendation and at the same time we have to think very seriously about how can we get Travel Agents to recommend Gibraltar because the word used here is "recommendation". I think, therefore, the operative word here is recommendation and I think all of us who do travel realise the importance of recommendation. I am told and, in fact, I have seen a beautiful brochure of Gibraltar in colour where you see the Piazza with beautiful sun umbrellas, lovely food on the tables and so on and so forth. You just imagine you being a tourist, coming to Gibraltar because you have seen this lovely Piazza and coming down looking for the Piazza which you have been told is a lovely place to see and when you come here what do you find? Do you believe that it is fair to bring a tourist on that brochure to Gibraltar to discover the state that the Piazza is in? I tell the Minister for goodness sake to look at the brochures, go round see if they compare satisfactorily and if they do not, do something about it to make sure that it does because you are responsible in the end, the Minister is responsible in the end and if he finds that he is incapable of doing it, if the Department cannot do it, if it is impossible, then I suggest that he resigns but certainly, Mr Speaker, not to allow things as they are. This is why we are not getting tourism in Gibraltar. I think that those points must be noticed and taken seriously. I am not doing it here for the fun of it, I am serious about it and if I am speaking with a certain amount of passion I am doing it deliberately because I think if I didn't we should all go to sleep, including myself. Mr Speaker, the embellishment of Gibraltar is very important. I am going to point out things that I see when I come. Take Casemates which I referred to in this House some time back. When I arrived this time they were plastering it and they have just about finished it. But the other place that I pointed out, the East side of the Government Secretariat, which is seen by all the Ministers every day as they go by. The place is filthy, the walls are filthy and if he looks over the Tourist Office, the roof of the Tourist Office is held by tarpaulins which are torn and bits of rope are hanging down on the side of the wall. If that is the state of the Tourist Office you can imagine how the rest of Gibraltar is like and then I commend to the Minister to go and have a look. On the other side of the Tourist Office there is a little car, the wheels are off the number is G32271, it has been there for some time and I have no doubt that it is going to remain there, Mr Speaker. I don't know who is in charge of going round and

looking at this but whoever it is, is not doing his job. I advise the Minister to go somewhere else, Irish Town, where Irish Town goes into Cooperage Lane. There he will see a van, this has got no wheels at all and no roof. It is all piled up inside with rubbish, perishable rubbish, the number I think is G38173, it has even got the number plates. It has been there since I arrived on Friday it is even a health hazard, Mr Speaker. Who is responsible to go round that street looking for those things? He certainly has not done his job. If he hasn't done his job, why the hell can't he be told. It is no good passing legislation, Mr Speaker, if the fellow who is supposed to enforce it is not going to do anything about it. I welcome the legislation the Government has brought in relation to the cleanliness of Gibraltar, I welcome it very much, but I do hope that the Minister who is interested to see that his product is worth something will make it a point of going round, walking or on a bicycle, Mr Speaker, or in roller skates, I don't care two hoots how he does it but that he does go round and keep an eye. If I have a shop I would go into the shop and I look around to see how things are. The Minister should make it a point of he himself going looking round. Do you know what Mr Lee Kuan Yew did in Singapore to make the place clean? He went out to the street with a brush and he did the scrubbing himself for a few days to show example. That is a fact, Mr Speaker, and this is perhaps what we want the Minister to do, come out, give an example and get things right because there is no other way, there is no other way that this is going to be done. I would certainly do it, I might even do it as the Shadow Minister if the Minister doesn't do anything about it.

HON CHIEF MINISTER:

Would he do it here or in Oxford Street?

HON MAJOR R J PELIZA:

Well, I couldn't care less about Oxford Street quite honestly, Mr Speaker, that is not my home town, this is my home town and this is what I am talking about. I think perhaps the Chief Minister is thinking more about London than Gibraltar, I am thinking more about Gibraltar than London. So, Mr Speaker, I think that it is extremely important that we take this matter seriously. I pointed out here that it was important to embellish Gibraltar. I suggested that we should have Committees for different districts which were encouraged, perhaps working under the Advisory Board, where people like the conservationists who know about the history of Gibraltar, who are interested in the historical side of Gibraltar, combined with the local people the tenants of the houses and so on who produce our character, what we are, and together, Mr Speaker, work towards a scheme. The Government could give prizes and even support them, finance them to carry out the schemes to make the place

look clean, attractive, with the character of the Gibraltarians implanted in it. This is what the tourists want to see when they come here. Mr Speaker, nothing of that sort is done anywhere, there is absolutely no pride and people are not encouraged to take any pride in their home town. How can we expect a tourist to come here and enjoy it? I wouldn't, quite honestly, I wouldn't. I invite any Member to go round, it is there for us to see. In fact, the other day I pointed out to the Minister for Public Works that they had put new litter bins in the Piazza but the same people who had put the litter bins took the old ones and left them on the side of the street and they were there for days and days, so the same people who are asking people to put litter in the bins go and leave the litter bins on the floor next to it. Where is the logic, Mr Speaker? Look at the places where they sell flowers, have a look at the state that it is in, bits of things left all over the place. We must do something about it if we want to improve our product, Mr Speaker. I suggest to the Minister that he does something quickly about this Advisory Board and then, with the help of the Advisory Board, get on to make Gibraltar look attractive, clean, interesting for the tourists to come here, amenable to them. I am sure with the warmth of the Gibraltarians we can make a great success of our place, unspoilt by tourists because one of the good things that we have is that we have not been spoilt by tourists and this what tourists like to see but at the same time a good, pleasant, holiday atmosphere which is good for the tourists and even more important, Mr Speaker, good for ourselves. One of the things that I think is very important for Gibraltar is that we should have a moving population coming and going all the time so that we do not suffer from seeing the same people day in, day out which can become a bit tedious. Therefore, Mr Speaker, I commend that to the Minister. I do not think it is fair that I should carry on any further, I think it is only fair that I should allow the Minister to reply. Perhaps, I should say that obviously I am sorry that the Acting Minister is not here today, I wish him a very speedy recovery. I understand, in fact, I have asked his family and I am told he is much better but I did not put this off because I thought we just could not allow it to go on for another month. Thank you.

HON J B PEREZ:

Mr Speaker, I must say, first of all, that I regret to say that I was not at all impressed by the contribution of the Honourable Major Peliza because I expected him on this particular motion on the adjournment to try and be a bit more constructive as to, in fact, what he is proposing Government to do in order to encourage more tourism to come to Gibraltar. I think, in fairness to him, the only point he really made, his only suggestion that I was able to pick up after thirty five minutes of listening to him, was in fact that some parts of Gibraltar were dirty and that we had litter in the Piazza,

where the Moroccan sells his flowers and the bad state of the Gibraltar Tourist Office and I regret to say, Mr Speaker, that that is the only idea that I was able to gather from the contribution made by the Honourable Major Peliza. In fact, he started first of all, by saying that we are talking about not a small matter but we are talking about £10m and I agree but I would tell the Honourable Member who is responsible for attracting £10m to our economy, if not the AACR Government? That £10m has been brought by the Government in office and I think that the Honourable Major Peliza must accept that as a reality so what we are in fact trying to do is not only to preserve the contribution to our economy of £10m, and I agree we are trying to expand this. The other point that the Honourable Major Peliza made was in fact that he says it is no good, it is a waste of time to put questions in the House and to have motions which the Government accepts. What I think is unfortunate, Mr Speaker, is in fact that Major Peliza does not read the answers that he gets because only in this particular House, and I can vouch for this because I gave him the answers, I would refer him to Question No 244 in which I outlined exactly what the Government is doing for this year. In fact, I said that we had increased our field sales budget by 33% from £150,000 to £200,000. I then went on to outline in great detail, because I made the point of having a very full answer, and I outlined to the Honourable Questioner what the Government was doing but he is giving me the impression, anyway, Mr Speaker, that he hasn't bothered to read it so it makes me wonder what is the point for a Minister to give a complete answer to the Honourable Member because he does not seem to take an interest in whatever answer one gives or he has forgotten about it, I do not know which is which, Mr Speaker. The answer to Question No 243, where I told him that the initial reaction that we had had on the advertising that we had already done, according to my answer on Question No 244, I said that in fact the initial reaction was an encouraging one. I told him that we had an increase of 96% over a similar period last year and I, in fact, went on to say that the indications that the Tourist Office had had from tour operators bookings for the coming winter are, in fact, higher than last year. These are the indications, Mr Speaker, but as I say, what is the point of giving the answer to the Honourable Member if when he comes back to the House on a motion he completely ignores the answers and doesn't give any credit to having been given that information because all he has done in moving this motion now is seeking the same information which I gave him two days ago. Also Question No 239, in which I admitted to the Honourable Member that, of course, the Government is concerned with the number of flights that come to Gibraltar, of course, we are concerned. We know the number of flights are not sufficient to fill up hotel beds, we know that, but in fact I told him that the Government at the moment, and I will read from the answer to Question No 239; "The Gibraltar Air Transport Advisory Board is in fact considering the whole question". But, Mr Speaker, the Government

cannot force, we cannot point a gun at the head of British Airways, and tell them; "We want a flight every day", we just cannot do that. We can ask for it and this is what the Government is doing but we cannot force them to have a flight every day or two flights a day and that is really what we would welcome and that is the answer that I gave the Honourable Member when he asked me the question. He spoke also, Mr Speaker, on the question of the Advisory Board. That, again, I replied to him and in fact I can confirm that we have contacted the members and I hope to have a meeting this week to try and sort the whole matter out. Again, Mr Speaker, he has been asking for information for over thirty five minutes which I gave him two or three days ago. Mr Speaker, in the debate, I think Major Peliza left one very important factor out which I thought he was going to highlight and that is the excursions that come from Morocco. I think he missed that out and as I see it that is a very important factor for our tourist industry and in fact it is unfortunate that he left it out because I was expecting him to be more constructive on that basis and tell us where he thinks we can improve, but since he hasn't done that, nevertheless, I will tell him what the Government proposes to do and what it is in fact doing as far as the Morocco side is concerned. We are now planning more regular visits to Tangier, we are ensuring that all the hotels in Tangier have full information from the Gibraltar Tourist Office, they have all the brochures, all the information about Gibraltar in different languages, in French, German and English. We are also ensuring that all Travel Agencies in Tangier have all the material available and of course we are thinking of offering some incentives or have some competitions because there must be an incentive to the Tour Operators, they are the people, the Travel Agencies, who will recommend to people to come shopping to Gibraltar. We have ensured that all the information is not only given in Tangier but it is taken over to Rabat and Casablanca. We are placing adverts in Le Journal de Tanger which we have been doing for quite some time and we shall continue and in fact been increasing and we have also sent all the information to the British Consul in Tangier. These are the things that the Government is doing and, as I say, Mr Speaker, it is unfortunate because I was honestly expecting Major Peliza to try and give us some indication of what he would like us to do but, unfortunately, this has not been done. Mr Speaker, I will try and deal now with the only point that I think that the Honourable Major Peliza made and that is on the question of embellishing Gibraltar. He spoke about derelict cars. Here, again, Mr Speaker, only two days ago, in answer to a particular question, the House was informed that during the last few months we have doubled the number of cars that have been thrown away. What is the Honourable Member talking about when he criticises the Government because he happened to see one particular derelict car near the Tourist Office which I am told that, in fact, it has already been gazetted and in a few weeks time it will be thrown away but that is the answer that was given at question time. Again Major Peliza

does not seem to take any notice whatsoever of the answers that we give, so I ask him, why put the question in the House? Why waste people's time if you are not going to listen to the answer that you get? He also spoke, I think, on the question of improving Gibraltar. Gibraltar is dirty because of some irresponsible people who do not care for the law and have no consideration for anybody in Gibraltar and that, Mr Speaker, is the reality of the situation, that is precisely what I said when I moved and got through the amendment to the Public Health Ordinance. I said, in fact, quite clearly that no matter what laws we have, no matter the enforcement, if people do not want to help, if Gibraltarians do not want to cooperate then there is very little the Government can do except send people to prison, that is the only answer but I think it is unfair, Mr Speaker, for the Honourable Major Peliza to come and tell us in the House that it is completely the responsibility of Government because I disagree with that entirely. Government, I think, has certain responsibilities. Government is willing to carry out its responsibilities, the legislation, maintenance of buildings, the cleaning of the Piazza area. I gave him the example of the cleaning of the windows at the Airport, yes, that is our responsibility and I told him that we clean the windows once a week. If he does not accept that there is nothing much more that I can do to help the Honourable Member out because that is, in fact, the reality of the situation that we clean the windows once a week but he does not seem to accept it but that is as far as Government can go. What I am saying is that as far as the embellishment of Gibraltar is concerned the Government is willing to share its part of the responsibility but perhaps the Honourable Member should make a public outcry and ask people to cooperate because that is in fact what the Government attempts to do. He also mentioned very briefly, the Tourist Survey Report of 1980. In fact, the Tourist Survey of 1980 isn't as depressing as the Honourable Member makes it out to be because if he looks carefully and if he bothers to read it properly he will see, and I will quote him back the page that he quoted, page 2; "The total number of arrivals nevertheless rose by 4% from 148,000 in 1979 to 154,000 in 1980, the highest total recorded since the closure of the frontier in 1969. I agree that the Government is concerned with the down trend on the question of hotel beds, I agree. I gave him, Mr Speaker, the actual figures so far for 1981 but the 1980 Survey Report is in fact not as depressing as the Honourable Member makes it out to be, when we also have the fact that tourist expenditure in 1979 was £9.4m and the increase in 1980 last year of £10.4m was therefore an 11% increase which I would say is only a marginal increase in real terms, I accept that, but nevertheless the Honourable Member must agree that there is an increase, anyway. What I do accept is that hotels are doing badly, I accept that, hotels are doing badly, Mr Speaker. The Government is willing to help as far as it can and I would reiterate one point that

the Minister for Tourism, the Honourable Mr Zammit, always makes and that is Government is willing to have its responsibilities but hoteliers must also do likewise and not leave everything in the hands of Government.

Mr Speaker then put the question in the terms of the Honourable the Chief Minister's motion that the House adjourn sine die which was resolved in the affirmative.

The adjournment of the House sine die was taken at 7.30 pm on Thursday the 29th October, 1981.

# GIBRALTAR

## HOUSE OF ASSEMBLY



# HANSARD

17 December 1981

## REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Ninth Meeting of the First Session of the Fourth House of Assembly held in the Assembly Chamber on Thursday the 17th December, 1981, 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 and Trade  
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 and Labour and Social Security  
The Hon Dr R G Valarino - Minister for Municipal Services  
The Hon J B Perez - Minister for Medical and Health Services  
The Hon D Hull QC - Attorney-General  
The Hon R J Wallace CMG, OBE - Financial and Development Secretary

### OPPOSITION:

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

### IN ATTENDANCE:

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

### PRAYER

Mr Speaker recited the prayer.

### CONFIRMATION OF MINUTES

The minutes of the meeting held on the 26th October, 1981, having been previously circulated, were taken as read and confirmed.

### COMMUNICATIONS FROM THE CHAIR.

### MR SPEAKER:

I would like to read a letter which has been addressed to me by the President and the Secretary-General of the Commonwealth Parliamentary Association. It is dated the 22nd October, 1981, and it reads as follows: "Dear Mr Speaker, The General Assembly of the Commonwealth Parliamentary Association which met in Suva today received from the Association's Executive Committee a Report on the Twelfth British Islands and Mediterranean Regional Conference which your Branch hosted from the 7th to the 12th June, 1981. The Assembly was delighted to learn of the excellent arrangements made for the Conference. We are, therefore, writing to thank you and through you the Branch, the Government and the people of Gibraltar as well as the Branch Secretary and his staff for helping once again to further the Association's aim by hosting the Regional Conference for a third time. You might wish to bring the contents of this letter to Members of your House, possibly by having it read at a meeting to make them aware of the Association's appreciation. Your sincerely, signed M. Qionibaravi President and Robin Vanderfelt, Secretary General".

### DOCUMENTS LAID.

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

- (1) The Births and Deaths Registration (Amendment) Rules, 1981.
- (2) The Marriage (Amendment) Rules, 1981.
- (3) Gibraltar Broadcasting Corporation annual accounts for the year ended 31st March, 1980.

Ordered to lie.

The Hon the Minister for Economic Development and Trade laid on the table the following documents:

- (1) The Pilots (Amendment) Rules, 1981.
- (2) The Landing and Embarking Fee Rules, 1981.

Ordered to lie.

The Hon the Minister for Public Works laid on the table the following documents:

- (1) The Cemetery (Amendment) Rules, 1981.
- (2) The Audited Accounts of the Gibraltar Quarry Company Limited for the period ended 30th November, 1980.

Ordered to lie.

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

The employment Survey Report - April, 1981.

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 1981/82).
- (2) Supplementary Estimates Improvement and Development Fund (No 3 of 1981/82).
- (3) Statements of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 10 of 1980/81).
- (4) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 3 of 1981/82).
- (5) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 4 of 1981/82).
- (6) Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No 3 of 1981/82).

Ordered to lie.

HON CHIEF MINISTER:

Mr Speaker, before we go on to the next item on the agenda I beg to move under Standing Order 7(3) to allow me to make a statement of which I have already given you notice - on my talks with the Foreign and Commonwealth Secretary and the Lord Privy Seal - at this stage in the proceedings and therefore out of the regular order of business. I think, having regard to the importance of the statement and the fact that there are 77 questions, I think this would be a better time to make the statement.

Mr Speaker put the question which was resolved in the affirmative and this was agreed to.

HON CHIEF MINISTER:

Thank you, Mr Speaker. The joint press release issued at the conclusion of the talks with the delegation of British Government officials on 26 November stated that the outcome of these talks had been to some extent inconclusive and that I was accordingly requesting a very early meeting with the Lord Privy Seal in order to pursue a number of matters at political level.

That request was quickly agreed to and the Governor and I were, furthermore, invited to have a talk with the Foreign Secretary, Lord Carrington.

The meeting with the Foreign Secretary took place at 10.30 am on Monday 14 December. I took the opportunity of that meeting to impress upon the Secretary of State the extent to which the whole of Gibraltar had been shocked and dismayed by the sudden announcement of the British Government's decision to close the Dockyard in 1983, not least because that decision had been taken without the close consultation with Gibraltar which we had all along been led to expect.

I also expressed to the Secretary of State the strength of my disappointment and regret at what I considered to be a lack of appreciation of our situation and a negative response on the part of the delegation of officials which visited Gibraltar in November. I said I was grateful for the opportunity to seek from him, at the highest political level, a firm assurance that the British Government would be sympathetic and fair to Gibraltar as well as to ask him to direct that such an assurance be given early and practical effect in the various matters which I intended to raise with him. I said that these requests were made on their own merits but that I had also to say that it was being stated in some quarters that the British Government's objective was to weaken Gibraltar so as to bring about a political settlement with Spain. Lord Carrington intervened at once to say that there was no question of this.

The first request which I put to Lord Carrington was that the decision to close the Dockyard should be reversed. I explained the effects that such a decision would have and brought to his personal attention the Memorandum which had been addressed to me by the Unions in Gibraltar during the demonstration which took place here on 25 November.

Lord Carrington replied that there could be no reversal of that decision. He fully understood how we felt and no-one in London under-estimated the problems facing Gibraltar. He stressed the financial difficulties in the Ministry of Defence and the hard decisions which had had to be taken also in respect of Chatham and Portsmouth.

I then requested that implementation of the decision should, at least, be deferred until Gibraltar had had a chance of absorbing the economic and administrative effects of the removal of the blockade. In a letter dated 7 August, written after the White Paper but before any decisions on Gibraltar had been announced, I had similarly requested that the implementation of any possible defence cuts should be so deferred.

I suggested to Lord Carrington that the cost of modernising the Dockyard might not be greater than the cost to the British

Government of converting it for commercial work. I also suggested that the Dockyard might continue under present management but take in commercial work as had been done successfully in the past. I added that the time-table for a possible conversion was too short.

I told Lord Carrington that a misunderstanding about the position of the Gibraltar Government appeared to have arisen. We had not asked for a conversion to commercial work. A study had been initiated at the time of the publication of the White Paper to investigate what alternative possibilities there might be if it were to be decided to close the Dockyard. A conversion to commercial work was a possibility and this was still being explored. I added that, in any event, such a conversion could be ruled out if, other considerations apart, the land and surplus assets in the Dockyard were not to be transferred to the Gibraltar Government free of charge and if the British Government were not to invest in order to ensure the viability of the proposed scheme.

I raised three other matters with Lord Carrington - the question of the hours of operation of the airfield, development aid and Crown land. I stressed the grave social, economic and commercial repercussions that would ensue if civilian flights were to be restricted and I urged that full consideration be given to the reasonable requirements of the airlines. On development aid, I pressed for the continuation of the policy of supporting and sustaining Gibraltar. The delay which had occurred was already affecting the economy and I sought an immediate interim allocation of aid to be followed by discussion of our submission for the next development programme.

Finally, I said that there was an urgent need to pursue our request for a revision of the existing arrangements for the transfer of land held by the Ministry of Defence surplus to their requirements.

Lord Carrington's response to my request for a fair and sympathetic attitude on the part of the British Government was warm and encouraging. Reverting to the suggestion made in some quarters to the effect that the British Government might be trying to weaken Gibraltar in order to achieve a political settlement with Spain, he said that this had certainly not crossed his own mind and if it had been in anyone's else's mind, Parliament would not allow it.

Lord Carrington, while maintaining that the decision to close the Dockyard could not be changed, said that timing was another matter. He appreciated that it might be too difficult to face a closure of the Dockyard at the same time as a re-opening of the frontier. He continued to be hopeful of an early announcement on the removal of the restrictions. It would then be possible to see what the actual effects were.

Lord Carrington, while unable at that stage to commit the British Government in any way, assured me of his own personal support on the question of Crown land. I derived very considerable encouragement from this response.

I was also encouraged by Lord Carrington's sympathetic response on the question of the hours of operation of the airfield, a matter in which, he believed, some accommodation could well be possible.

Lord Carrington told me that the Lord Privy Seal would have some proposals to make on development aid. He gave me his undertaking that, within the limits of the Foreign and Commonwealth Office and the ODA, they would do what they could to help. It was, however, necessary for him to draw attention to Britain's very difficult economic circumstances.

We then went on to a meeting with Mr Humphrey Atkins, the new Lord Privy Seal, and Mr Peter Blaker, Minister of State at the Ministry of Defence.

At this meeting I elaborated, in greater detail, on the points I had made to Lord Carrington about the Dockyard. I made it clear that we contested the irreversibility of the closure decision and once again stated the actual position of the Gibraltar Government on the question of the possible conversion of the Dockyard for commercial work. I said that I had seen Messrs Kitson and Martin of the Transport and General Workers Union the previous day and had been informed that they had written to the Prime Minister to seek a meeting. They had the support of all the UK unions concerned and intended also to contest the decision on closure on the political plane on an all-party basis.

I also expanded on the question of the airfield, the continuing need for development aid and the question of Crown land. I was again told that the decision to close the Dockyard could not be changed and I again urged at least a deferment, if closure could not be resisted, the aim would be to have time to reach early decisions of principle on alternative economic activities and how they would be financed.

On development aid I was told that the British Government looked at the situation as a whole. They could not deal separately with development aid and not take account of the possible need for aid arising out of the Dockyard closure. The Lord Privy Seal said that, against this background and my demand for some interim award, the British Government agreed that £4 million aid will be made available for urgent projects.

The general question of Crown land was being considered and it was acknowledged that a rapid decision on Dockyard land and assets was required. Ministers indicated that this question was to be considered urgently and positively.

On the question of the airfield it was agreed that MOD experts would visit Gibraltar early in January to study the plans to bring the hours of operation more into line with peacetime military requirements, taking into account Gibraltar's essential economic, social and commercial interests.

Mr Speaker, as I said earlier, the object of seeking early discussions with UK Ministers was to raise at political level the matters discussed with the delegation of British Government officials in Gibraltar in November. UK Ministers have been left in no doubt of our feelings on these matters.

What we now need to do is to take stock of the situation we have reached.

As to the Dockyard, it could not have been made clearer to me that it is not the British Government's intention to change their decision. Our own position on this is that we continue to contest that decision and that we shall be doing everything we can to persuade them to change their minds. At the same time, as I have already made clear publicly, the Government of Gibraltar has a responsibility to investigate contingency arrangements in case the decision is adhered to. It has been brought home to the British Government that any proposal to convert the Dockyard to commercial work would be doomed if the land and surplus assets are not transferred to the Gibraltar Government free of charge. This point has been well taken and my own assessment is that this will be eventually agreed to, if it becomes necessary.

As to development aid, again we contest the British Government's view that this must be seen in the overall context. We consider that the need for aid stems from the British Government's commitment to support and sustain Gibraltar following the imposition of the Spanish restrictions and that the new and potentially very serious situation arising out of the Defence Review is a separate issue to be dealt with separately. We are grateful for the British Government's speedy decision to make £4 million available for urgent projects but must continue to press our case for early and detailed discussion of our aid submission.

We shall equally be pressing our case on the question of Crown land and, although I have been given no commitment, my own personal assessment is that there is now a reasonable, possibly good, chance of our making some early progress on this.

Equally, I feel optimistic about the possibilities of reaching agreement on the question of the operating hours of the airfield. There is no doubt that the vital importance of this for Gibraltar is now fully appreciated in Britain.

Generally, I consider that, apart from the admittedly major issue of the decision on the Dockyard, on which it has so far proved impossible to shift the British Government, we have made some tangible progress in these talks and there seem to me to be good prospects of further progress. We shall certainly be pressing for this at every opportunity.

There is a long and difficult road ahead and I invite the support of this House, and indeed of the Trade Unions and other representative bodies in Gibraltar for the hard efforts which the Government will have to continue to make. I am re-assured in particular, first, by Lord Carrington's expression of the British Government's commitment to Gibraltar, while necessarily taking Britain's economic difficulties into account, and, secondly, by the very strong support expressed by our friends in Parliament whom I addressed after the talks ended on Monday. I feel confident that we shall be able to overcome the problems which face us even though, in the difficult times in which we live, we are not able to achieve all our objectives fully.

I would not wish it to be thought that the talks in London were easy. I would illustrate this point by saying that, in order to underline the potential gravity of the situation I made it fully clear at both meetings that, if the necessary steps were not taken to help us to maintain the way of life of the Gibraltarian community in a reasonable manner, my colleagues and I might find it impossible to continue holding office as Ministers. I wish, however, to make it clear that we have no intention of resigning without putting up the most determined fight to ensure that that potential gravity is substantially diminished.

Finally, I should like to announce to the House that I have extended an oral invitation to the Lord Privy Seal and to Mr Blaker to visit Gibraltar as soon as possible and that it has been intimated to ODA on my instructions that an invitation will also shortly be extended to Mr Neil Marten of the ODA for the purposes of familiarisation at first hand and with a view to seeking an early date for detailed discussion of the aid submission, hopefully in the first quarter of 1982. Unfortunately, Mr Speaker, Mr Neil Marten had been snow bound over the weekend and could not be here for the meeting.

HON P J ISOLA:

Mr Speaker, naturally I have to consider the statement that the Chief Minister has made and, of course, any reaction I make to it now must necessarily be one on the spur of the moment as it is. I think the statement the Chief Minister has made is bound to be greeted with a certain amount of disappointment and I think emphasises the enormity of the

task before the people of Gibraltar on this issue. I am quite sure that the Chief Minister has been as forceful as he can be in putting his arguments but against the background of the strong feeling in Gibraltar about the manner and the sudden decision for the closure of the Dockyard and the way it was done that the response in London should still be fairly cool. It seems to me, anyway, that although and I think we must be reassured by the statements and assurances that Lord Carrington and the Lord Privy Seal have given the Chief Minister, I cannot but be disappointed at the little that is being given in terms of encouragement in this sense, Mr Speaker, but although I welcome that Lord Carrington has said timing was another matter, I am sorry he has not been able to go a bit further than that and give us some assurances on what we consider, and I am sure the Government also considers to be the vital issue and that is that the British Government should not close the Dockyard down until, if it is to be closed down, until an alternative viable economy has been worked out for Gibraltar and whilst I do not doubt for one moment anything the Chief Minister has told us in this House, it does not seem that we have been given this although, as I say, one is encouraged by the continuing commitment of sustain and support and by the definite assurances given by Lord Carrington that the question of Spain is not in their minds at all in this decision. I think that is important if we are to face the future with confidence, Mr Speaker. I hope that the Chief Minister realises that on this matter which affects the whole of the people of Gibraltar, the Opposition party which I have the honour to lead, will give him our complete support in the very, very, I think, tough struggle the Gibraltar Government has ahead of them. I would also like to say, Mr Speaker, that the question of development aid is something that must concern us a lot because quite apart from the announcement of the closure of the Dockyard and the inevitable effects this could have on the economy of Gibraltar and on the standard of living of people, quite apart from that, under the sustain and support promise and under the responsibility vested in the British Government, there should be a measure of development aid commensurate obviously with the means of the British Government and also more importantly commensurate with the needs of Gibraltar and the development aid talks, I feel, are being dragged and dragged by the British Government and the Chief Minister has our complete support in urging the British Government to advance the timing for development aid talks. We are going to have a dreadful hiatus in Gibraltar just before the Dockyard closes, if it closes or if its closure is not delayed, and I think that is something I would urge the Chief Minister to take up as strongly as he can with the British Government. Mr Speaker, there are one or two questions I would like to ask. One is, I would like to ask the Chief Minister . . .

MR SPEAKER:

We must not anticipate the questions which are on the Order Paper and we must not debate the statement. As usual, I have given the Leader of the Opposition an opportunity to reply and I intend to give Mr Bossano an opportunity, too, because he represents a different Opposition view but we must not fall into the temptation of debating the issue.

HON CHIEF MINISTER:

Mr Speaker, I would welcome any questions on clarification.

MR SPEAKER:

On clarification, yes.

HON P J ISOLA:

I would like, Mr Speaker, some clarification because I think this is very important from the point of view of the people of Gibraltar. I would like some clarification of what sort of explanation the Foreign Secretary had to give the Chief Minister for what appeared to be a complete breach of assurance on the part of the British Government, a complete breach of solemn pledges given to the Chief Minister during his visit in July, 1981, that no decision would be taken on the closure of the Dockyard without prior consultation with the Government of Gibraltar. I would like to know whether there was at least an apology for this obvious breach of assurance from the Foreign Secretary and then I would also like to know, Mr Speaker, whether the interim aid of £4m that has been given for urgent matters, whether that is agreed that it has no particular limit of time in the sense that it is not £4m for five years or something like that but only for a very short time. Finally, Mr Speaker, as I cannot but express concern at the enormity of the task before the people of Gibraltar, I would like to ask the Chief Minister whether he will pursue the suggestion that I have given him having regard to what he has said towards the end of the statement, that there is a need to get in all the political parties and all the representative bodies that there have been in the past, to try and between ourselves discuss the problems that we are faced and between ourselves try and form a Gibraltar view that can be used and expressed and pushed not only with the British Government but with the British Gibraltar Group in Parliament and all the many friends that we have to ensure that Gibraltar's case does not go in any way by default and to ensure that the Gibraltar case and the Gibraltar view is given the best prospects for success as I am sure we must all agree we must succeed in the end. Thank you, Mr Speaker.

HON CHIEF MINISTER:

I think I might answer the points raised by the Leader of the Opposition.

MR SPEAKER:

Perhaps it might be better for good order if you hear Mr Bossano and then you reply to whatever has been said.

HON J BOSSANO:

Thank you, Mr Speaker. Let me say that, as the Honourable the Leader of the Opposition has said, on the spot reaction to a statement is not perhaps the best way in which to put one's view on a matter as serious as this. However, I think the statement, if one were to try and reduce it to its essential contents, produces little beyond the position of the British Government prior to the Chief Minister's visit to the United Kingdom. We have had reiteration of assurances and I would not for one moment expect any British Government to admit that there was any connection between what they are doing or what they are attempting to do, they have not yet succeeded, what they are attempting to do to the economy of Gibraltar, and their intentions regarding a settlement of the Gibraltar issue with Spain, so to ask them whether it is true that there is a connection which some people believe to exist, I do not think can elicit an admission even if it were true and I think the British Government has failed to keep to the assurances it gave the Chief Minister in July and that of necessity must diminish its credibility in the eyes of this House and of the people of Gibraltar and I hope that that point was made very strongly by the Chief Minister that the relationship between Gibraltar and the United Kingdom has been damaged by the actions and the attitudes and the decisions of the British Government and that it is not the will of the people of Gibraltar that it should be damaged. I think it is also important that the British Government should understand that any reaction against that decision is not a reaction against the United Kingdom or against the British people as a whole but against the policies of the Government at present in power which are unacceptable to large sections of the population of the United Kingdom as well as being unacceptable to large sections of the population of Gibraltar. In the context of the meeting in London, Mr Speaker, and the statement made at the end of the visit of Mr Fergusson, I would like clarification as to whether the question of commercialisation was actually discussed. In the press release issued by the Government at the end of the visit of Mr Fergusson on the 26th November, it said: "In pursuance of proposals for commercialisation" and so on, I would like to know whether

in the context of the meeting, in fact, now that the Gibraltar Government has left the British Government in no doubt that it is not their idea that the Gibraltar Dockyard should go commercial and that it is not their proposal and that the British Government should no longer create that impression which is incorrect, I would like to know on what basis these proposals are being pursued and whether in fact the British Government wishes to pursue them. I would also like to know, Mr Speaker, whether the Chief Minister pointed out to the British Government that the necessary condition for any transition to commercialisation would include not just a free transfer of land, I would have thought that the Chief Minister was bound, with the fundamental policy of his party of the right to our land, was bound to insist on a free transfer of land that I think is axiomatic but also that a necessary condition would be trade union cooperation and that it is inconceivable that any private firm from outside Gibraltar would wish, in fact, to set up a commercial operation in Gibraltar in the knowledge, before they even arrive, that they would be facing industrial action as soon as they stepped off the plane. I hope that point was made very strongly as well and that in the question of the timetable that the British Government proposes to pursue when they are talking about the 1983 date not being final but at the same time saying they are not willing to defer it, is one right in inferring from that that what the British Government is saying is that if there are actual hitches in getting the thing under way within the time-scale they have set themselves, then in fact the process will not be halted because the process is delayed, that in fact any question of deferment is not therefore a matter of a revision of the policy because of the representations that have been made but a necessity forced on the Government by circumstances. Is that the context in which they are talking about the date not being fixed? Mr Speaker, I will not go into any greater detail at this stage, I think to do so would of necessity bring me into the area of the questions I have put on the Order Paper and that would not be right.

MR SPEAKER:

Perhaps the Chief Minister would now like to reply.

HON CHIEF MINISTER:

I am not quite certain now of the third point made by the Leader of the Opposition. One was the question of consultation, the other one was the question of the interim aid. Mr Speaker, it is very difficult in a statement of this nature to be able to put in all the nuances and all the details of two meetings, intensive and hard hitting meetings, if I may say so with respect as may be disclosed from the language I have used. I did make very strong representations on the

question of consultation. I will not say that I received any apologies, that would be misleading the House, but I would go to the extent certainly in the case of Lord Carrington saying that the point was very, very well taken. I will not mislead the House in any other way, I will try and maintain the credibility not only of what is said here but that what is said here is substantially what has happened. I have better news about the question of the £4m and that is subject to usual procedures of getting the necessary approval from the Projects Committee and so on, it is not to be spread over a long period, it will be available for us to spend as quickly as possible but of course, £4m on its own unless we can support it with our own money will in itself not be able to produce much alone but there is no tie to the time-table nor is it spread over a long period. I think we can make a case that the £4m is on the table to be taken in the way we can use it and the Government, now that we know the situation, will adjust the beginning of the development programme having regard to the priorities that are important in re-assessing our own contribution in this matter to make use of that £4m as quickly as possible. I think, as will be seen later on, perhaps, the fact that we have in this particular last programme accelerated progress more than in any other is a good omen and the fact that we have a considerable amount of homework done and that the submission was made in February, I think we are in a good position to start quickly making the best use of those £4m.

HON J BOSSANO:

Is it tied to specific things?

HON CHIEF MINISTER:

No, it is not tied, it is on the table for development and it is free. I am not satisfied with that amount but I do not think we ought to say that it is not at least an indication of their willingness to support us even though, if there are no early development talks, it would be a very bad situation. I fully take the point and accept the point made by the Leader of the Opposition about the importance of the effect on the economy of development aid at this particular time and I would like therefore to stress that that has been made very, very clear. With regard to consultations, in the first place there is an area of consultation already in existence in respect of the question of the closing of the Dockyard, the Governor's Consultative Committee where Members opposite have had the benefit of information and so on which it is proposed to continue. I propose to consider, in consultation with the Leader of the Opposition and Mr Bossano, the areas of consultation that we could pursue in respect of other representative bodies and so on. That, I think, deals with the point raised by

the Leader of the Opposition. With regard to Mr Bossano. I did not ask a question whether this matter had anything to do with Spain. I would not be so naive as to ask a question of which the answer would necessarily be no even if it were yes. I think the Honourable Member should give me credit for that, I did not say I had asked. I have said that this had been suggested and that it had been suggested at very high level as we all know. I had to put into writing into the text in a brief way what happened but I have to add my own judgement on that and my own judgement may prove to be wrong but I have to give my own judgement and my own judgement, having seen Lord Carrington, having put the matter to him, having heard what he had to say, having referred through Parliament, having had behind him the result of the Nationality Bill, I think that his assurances that one thing had nothing to do with the other were sincere and insofar as he was concerned were true and I take them as such. Our relations with the British Government which should be as good as they can make them, I would not say have been damaged but have been affected. I may have something to say in a question at a later stage when we come to the question of faith but that is too early now so I will leave that until we come to that. I did get perhaps more satisfaction than is reflected in the words of the statement, or rather I gathered more satisfaction than I can put in a statement, about the flexibility of the time of the closing of the Dockyard, always related. I want to make it clear because I was not very sure what the last diatribe, if I may say so with respect, the Honourable Mr Bossano made about the question of the delay. I took the assurance I got on that that if it requires more time to make any viable alternative easier to absorb, then the timing was not a fixed one, there was an area of movement there and I think Members will have taken note of the fact that at subsequent questioning in the House of Commons, the year 1984 was mentioned, 1983/84, so I think within the parameters of the availability of work and so on I think that the time has to have a relation to the progress that can be made to substitute the economy of the Dockyard with something else. With regard to the efforts to be made, I would consider them to be, and I have cleared this before that it was not the Gibraltar Government's idea of commercialisation but that came out of the report, I would say and as I said in my statement, the responsibility of the Government to make contingency planning, I would say that now it is an attempt, I would say tripartite attempt between the consultants, the Gibraltar Government and the British Government to pursue the question of commercialisation at the quickest possible time in order to make sure that we are not accused at a later stage of having refused to participate in efforts that are being made that could substitute the economy of the Dockyard which according to the Government is irreversible and which may or may not prove to be but having regard to the time that it took to produce the White Paper

and the cuts made in England, I would join political efforts that I would not be telling my real impressions to the House if I offered any hope that that can be reversed having regard to my impression given in London. With regard to the question of trade union cooperation, I think this was implicit but I think the Honourable Member can gather some comfort to say (a) that I referred to the petition which had been put to me by the Trade Union Movement the day I left the talks with officials and a copy of which was given to each member of the team immediately after I left the delegation. Also, implicit in the fact that I informed the Secretary of State that I had had a meeting with Messrs Kitson and Martin and that they were taking the matter of the trade union side with the Prime Minister. I think that the answer to that in that respect is in the affirmative and, indeed, I think that we must have trade union cooperation in whatever is required to be done in this matter and I hope, too, that the trade union approach to the matter is also coupled with ultimate acceptance of a situation but other than that I think that it is quite clear or rather in addition I think it was made quite clear that the concern was for the whole of Gibraltar and that the trade unions were taking a very active part in putting their point forward and without their cooperation it would be difficult to pursue the matter. I would just like to finish off by saying that my talks with, I did not refer to this because it was not directly arising out of my mission but as it has been made public, I had a meeting with Mr John Silkin, who is the shadow Minister for Defence, who will be coming to Gibraltar on the 8th January to see for himself, he is also shadow Leader of the House at this moment, and also with Mrs Judith Hart who is now Chairman of the Labour Party in the United Kingdom. I had a meal with them and we discussed the whole matter and the best way of dealing with their main concern at that meeting, of course, which is the welfare of the whole of the people of Gibraltar.

#### ANSWERS TO QUESTIONS

The House recessed at 1.00 pm.

The House resumed at 3.40 pm.

Answers to Questions continued.

The House recessed at 5.50 pm.

The House resumed at 6.30 pm.

#### ORDER OF THE DAY

#### MINISTERIAL STATEMENTS

MR. SPEAKER:

The Honourable the Minister for Housing and Sport has given notice that he wishes to make a statement. I will therefore call on the Minister.

HON H J ZAMMITT:

Mr Speaker, Sir, thank you. Following the practice instituted by my colleague, the Honourable I Abecasis, of keeping the House informed whenever a review of postal charges is to be introduced, it falls upon me to make a statement on the increases which will be introduced as from 1 January 1982:

As Members will no doubt recall, the last general review of postal charges took place on 1 August 1980. Since then, annual wage reviews and other factors have brought about a considerable increase in the cost of postal operations. It is Government policy that the service which the Post Office provides should as far as possible pay for itself.

I should nevertheless like to stress that care has been taken, within the stated policy, to keep these increases as low as possible. The following are some examples of the new charges, which are based on the basic rate authorised by the Universal Postal Union:-

surface rates from 9p to 14p for a letter weighing 20 grammes

airmail rates to Europe from 15p to 17p for a letter weighing 20 grammes.

airmail rates to other destinations and other postal services are also increased

The local postage rate will not suffer an increase and will remain at 4p for a letter weighing 50 grammes.

HON MAJOR R J PELIZA:

Mr Speaker, I am very surprised to see that in the face of what one might call the terrible service that we are receiving at the moment from the Postal Services that this should have been the time to raise the rates. We see complaints, Mr Speaker, not only from the mail not arriving here in time but there are people complaining publicly of the time they have to stand to acquire stamps. I would have hoped that the Minister perhaps might have tried to improve that service so that we would see that the public generally were happy with the kind of service they were getting before increasing the amounts. Whilst, of course, we cannot oppose them for the reasons that he says, perhaps he has got to balance his books, I do not know, that is what he said, it would be interesting to know what the additional revenue to

be derived from this is going to be and what the position of the account is going to be at the end of the year, perhaps he could explain that which I think the Minister has not done and then we would be in a better position to know whether this is justified or not but certainly I do not think it is justified on the kind of service that we are getting now and if he goes ahead with the increases I hope there will be a considerable improvement on the service which at the moment leaves very much to be desired.

HON J BOSSANO:

Could I ask the Minister, on a point of clarification, is there a breakdown between what Gibraltar gets and what other Postal authorities get on international mail? The letters that get mailed in Gibraltar, does the whole of the 17p or the whole of the 15p go to the Gibraltar Government?

HON H J ZAKMITT:

Certainly not, Sir. There are of course charges that the Gibraltar Post Office has to make to wherever destination the letter is ultimately getting to so it is not that we retain the 17p or 15p. I would like to say, Mr Speaker, that although Post Offices particularly in England with which we are very closely aligned has lost something like £60m this year, there is and I would not like to give an indication of the airmail because England has not got an airmail service as such, that we must accept from the moment go, they have an all up rate which means that a letter is sent through the Post Office and the Post Office can send it whichever way the Post Office has the best combination, it could be by train; car, boat or by air whereas we in Gibraltar have an airmail service and I can assure the Honourable Member, particularly the Honourable and Gallant Major Peliza, that already airmail in England is 18p but it will be going up quite substantially to Europe of which we form part. Mr Speaker, I agree to a degree that the service could be improved upon, I will not accept of course that it is a terrible service.

MR SPEAKER:

All I will allow you to do is to clarify the question of the 17p.

HON H J ZAKMITT:

I think I have answered that, Mr Speaker.

HON J BOSSANO:

What I am trying to establish, in fact, is whether there is a ratio between what we charge and what we have to pay, whether

there is a relationship which we are maintaining or whether, for example, we have to have a 2p increase because we have to pay 1p more for every letter. Is there a mechanism of that nature involved?

HON H J ZAKMITT:

The charges go up, Mr Speaker, but of course we must realise that we have to pay in Swiss Francs which also accounts for a certain upping, never a downing certainly in my time, and therefore there is normally an upping on that, Mr Speaker, but we try and keep the relativity as best we can.

HON W T SCOTT:

Mr Speaker, may I have some clarification particularly after that question and if I am right in assuming that part of the extra postage is due to annual wage reviews and other factors in Gibraltar or at least some of them in Gibraltar, to have been consistent here, not that I am advocating this, I would have expected a rise in the local postage as well.

HON H J ZAKMITT:

Mr Speaker, we have found that 4p for the area which the Post Office carries responsibility from within Gibraltar is considered to be quite steep and therefore it is found that the mail within Gibraltar has diminished quite substantially, in fact, there are many firms that have a messenger to do deliveries rather than going through the post.

HON W T SCOTT:

Is this perhaps a case either of the local mail being too high in price or perhaps the service could be substantially improved.

HON CHIEF MINISTER:

Mr Speaker, I understand that according to the Order Paper it would be for me now to move the motion standing in my name. I would like to under Order 7(3) to postpone this until a later stage as I am not ready for it now, some material is being prepared for me.

MR SPEAKER:

Fair enough. We will take the second motion.

MOTIONS:

HON A J CANEPA:

Mr Speaker, I have the honour to move in the terms of the motion standing in my name. Is it possible, Mr Speaker, for me to dispense with reading this rather long motion?

MR SPEAKER:

Yes, I think the House will grant leave to dispense with the reading of the motion, it has been circulated and it is lengthy.

HON A J CANEPA:

Thank you, Sir. Sir, at present the container rental fee free period stands at fifteen days. Beyond that, after the expiration of the rental free period, the fee for containers up to 25 feet in length is \$2.50 per day for the first six days and \$5 for each succeeding day and for those exceeding 25 feet \$5 per day for the first six days and \$10 for each succeeding day. Sir, I have recently received representations from the Conference lines which have highlighted the difficulties that are being encountered by shippers who per force have to return the containers empty to their loading Ports as no goods are exported from Gibraltar and this, coupled with the changed shipping pattern has been causing operators to incur heavy payments in rental charges. It is not possible to return the containers to their Port of origin under the present shipping pattern within the 15 day free period and, in fact, on average, containers are remaining in Gibraltar for over twenty-one days and therefore they sought an extension of this free period. The Government has considered those representations sympathetically and we are proposing that the free period should be extended to thirty days. I pointed out to them, and they accepted, that we felt that if we were going to make this concession then the penalties, or the rental charges, when that thirty days period was exceeded should be increased in order to act as a deterrent and therefore the motion is also proposing that the rental charge should be increased from \$2.50 per day for the first six days and \$5 for each succeeding day, to \$10 per day after the thirty day free period for containers up to 25 feet in length and, secondly, from the present \$5 per day for the first six days and \$10 for each succeeding day, to \$20 per day after the thirty day free period for containers exceeding 25 feet in length. The increase charges are considered reasonable in view of the proposed concession. The opportunity, Sir, is also being taken to review and increase the present wharfage charge. This was introduced on the 8th March, 1979, and having regard to the fact that this was 2½ years ago, we are proposing that it should be increased by 33½% from \$7.50 to \$10 for containers up to 25 feet in length and from \$15 to \$20 for containers exceeding

25 feet. Sir, the revenue yield is expected to be insignificant. Sir, I commend the motion to the House.

Mr Speaker then proposed the question in the terms of the motion proposed by the Minister for Economic Development and Trade.

HON MAJOR R J PELIZA:

Mr Speaker, I only hope that the Minister for Economic Development and Trade will bear in mind that in raising these fees this is not passed on to the importer in Gibraltar who eventually has to pass it on to the consumer. I would like the Minister for the Port to look into the question of the cost of bringing merchandise from abroad to Gibraltar and to try and work out how much of that extra cost is involved in the actual handling in Gibraltar. I say so because there are items which by the time they arrive in Gibraltar from the place where they are bought they double in price and this is something that I think the Minister for Economic Development who has very much the question of economics in Gibraltar at heart, he should look into that because it would be extremely helpful if a way could be found of reducing those costs as no doubt it will have a tremendous effect on the cost of goods sold in Gibraltar, not just of course for our own consumption but also if we are looking ahead to the day when we may see more visitors coming to Gibraltar as an attraction. I believe that an exercise has been carried out and that comparisons have been made of prices between here and other places in the neighbourhood and in some instances we find that we are really out of the market. I would suggest that one of the reasons why perhaps we are not so competitive is because of the cost in bringing the merchandise to Gibraltar and I would ask the Minister that if he is going to raise fees on wharfages charges and all that, to see what he can do to avoid this being passed on to the importer otherwise, eventually, I think we are gradually pricing ourselves out of all markets.

HON G T RESTANO:

Mr Speaker, I just have one point to make. Presumably, with the free period being extended to thirty days we may find ourselves in a position where there are more containers being retained in Gibraltar than heretofore and I hope that a system can be devised to keep the Port a little bit less congested than it is at the moment. One goes to the Port area and the containers are not really stacked properly, they are placed in a very untidy manner and I think that even if there wasn't any likelihood of an increase in the numbers, even with those that we have at the moment, I think a system should be devised so that the Port looks a bit neater, looks a bit cleaner than it does at the moment.

MR SPEAKER:

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

HON A J CANEPA:

I think the Honourable Mr Restano has a point, Mr Speaker. It is a valid point, this is something which the Dock Controller will be able to look into, it will be very much part of his duties. We do need somebody to be there all the time keeping a check on the situation. The Port Department does not have anyone at present who can do this and this is why we are employing a Dock Controller. Insofar as the rental charges are concerned, I do not think, Mr Speaker, having regard to the fact that containers are now remaining in Gibraltar for twenty-one days, I do not think that if we allow a rental free period of thirty days increased charges are really going to apply as a general rule so I do not anticipate that those costs should be passed on to the consumer at all. The point that he has raised is a much wider issue, of course, which involves matters which may not be within our control, which may not be within our purview, they may well involve charges which are not levied within Gibraltar. I will see what can be done about the matter but I cannot sincerely promise that I will be able to get very positive results.

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

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

The following Honourable Member abstained:

The Hon J Bossano

The motion was accordingly passed.

## BILLS

### FIRST AND SECOND READING

#### THE HOUSING ASSOCIATIONS ORDINANCE, 1981

HON M K FEATHERSTONE:

Sir, I have the honour to move that a Bill for an Ordinance to provide for the incorporation of associations for housing purposes and for matters incidental 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.

#### SECOND READING.

HON M K FEATHERSTONE:

Sir, I have the honour to move that the Bill be read a second time. Sir, this Bill is intended to enable occupiers of housing estates or blocks, if they so wish, to form associations for their administration and management. Provided that they all participate, the owners of units comprising an estate or block of flats and, as the Bill explains, two flats or more all in the same area can be classed as a unit, they may incorporate a housing association and any person holding a leasehold interest of not less than three years may participate but only one occupier may do so and, of course, if you own the building or the flat outright you are also entitled to participate. Sir, the Bill is designed to facilitate, particularly, the management of the common areas of estates and flats especially those held by owner occupiers such as in the Woodford Cottage Scheme which is proposed to get off the ground shortly, Shorthorn Estate if that should be sold by Government to the tenants and any other housing schemes which may come about following Government offers to sell flats in various estates and Government offers such as the Honourable Minister for Economic Development mentioned this morning at 4 and 6 Lower Castle Road which could form an estate of its own. It is an enabling measure, Sir, and subject to the restriction that the housing association may not carry on business for profit, the members may, in a memorandum establishing an association, specify such purposes as they may think fit. The idea is of course that the housing association members will have the maximum control over the area itself. The Bill will, subject to the management rules adopted by the members, confer on an association specific powers for the administration of common areas and for the general benefit of the members including powers to maintain common areas in good repair, to comply with statutory requisitions on behalf of the members and to

maintain administration funds. More generally, associations will have such powers as are reasonably necessary to carry their purposes into effect. Although the measure has been prepared with Government housing schemes in mind, its provision may, of course, apply to any housing scheme and private promoters of group housing schemes may join in if they so wish. The scheme of the Bill contemplates that the participation of all the occupiers will be necessary for an association to be formed. It is obvious that it is no good if you have a block of flats in which there are sixteen tenants and two of them wish to stay out, the need is that they all take part otherwise it cannot be formed. Consequently, provision is made in the Schedule for a number of minimum management rules which will apply in every case. These are intended to ensure that there is provision for management of an association, that regular meetings of associations are held, that members will each have an equal vote and that members are kept informed of the progress of the affairs of the association and of its Committee of Management. In the Bill itself provision is also made for the keeping of proper accounts and approved auditing. Regulations may also be made by the Governor, on advice, concerning the management of funds. The Bill itself also contains provisions to enable majority and minority groups of members to seek relief from the Supreme Court. This is considered necessary in the interest of efficacy and of equity. There are substantive provisions in the Bill. It also provides for a registrar of housing associations who is likely to be the Surveyor and Planning Secretary and lays down a procedure for registration and consequent incorporation for the keeping of a register and for the cancellation of registration. Sir, it is not the intention of the Government to take the Committee Stage at this meeting of the House but at a subsequent meeting. Therefore, Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON MAJOR R J PELIZA:

Mr Speaker, I think in this instance it is imaginative of the Government to bring this Bill to the House. I think it will induce people to think of getting together and developing projects of a small nature which perhaps the Government have not thought yet but which they may come forward seeing that there is a way of being able to protect their position within, say, a block of flats and that there is some kind of legal sanction behind whatever it is that they intend to do. I therefore do welcome the Bill and I am sure that this is something that in most societies already exists and it was lacking here and now we are going to have it. But I would tell the Minister at the same time, just going slightly off

the point and I will not go very far, Mr Speaker, that perhaps it might possibly to do something similar for the housing estates in Gibraltar where I know in those places where there is a Committee although it is really produced by the tenants themselves with no legal sanction behind it, where it does work very well and I might mention where I live, in Penney House, where the tenants have really gone out of their way and even produced a garden at the back sweating very hard in the summer and I think that something like this may induce people to look much more after the area in which they live. In commending this Bill, Mr Speaker, I hope that the exercise produces good results and that perhaps it might induce the Minister to look into how they could do something similar for the housing estates.

HON J BOSSANO:

Mr Speaker, I think the Minister said that this was enabling legislation and I take it therefore that people will not be required to form housing associations or to register them. I also take it that the legislation will not in fact cover the existing Tenants' Associations and I think it is important to realise on the existing Tenants' Association in housing estates from my experience of them, that any of the associations that had to work within legal requirements as to meetings and so on and producing accounts when it depends on voluntary work of people who in many cases are also involved in many other organisations because in Gibraltar it tends to happen that we get the same people reappearing in almost every conceivable organisation, the thing would never get off the ground and any association like that would find itself acting illegally. I think the Tenants' Associations on housing estates have got a loose framework and need to be kept like that so I would certainly not support any attempt to make them work within legal requirements. I can understand that when one is talking, for example, of people setting themselves up to own, as it were, cooperatively a housing estate or even if they are individual owners but they have to own certain areas collectively, then there has to be some legal entity who can be sued and with whom contracts can be signed and who can be held responsible and I see the need for that and I will support the legislation on that basis but I want to make clear that although I support the concept of home ownership proposed by the Minister for Economic Development in allowing private individuals to develop properties that have been lying empty and derelict for very many years and are likely to remain like that for many years because of shortage of public funds, I do not support the concept of home ownership by selling existing Government houses at huge discounts and consequently any support that I give this Bill should not be construed as support for the sale of Council houses.

HON CHIEF MINISTER:

I think the question unless there is ownership involved does not arise and I think the work that is being done now by the tenants associations is a very good work and should be encouraged but I think this may also bring about the need to consider legislation to protect tenants of private flats which are collective areas where there are difficulties about charges made and so on. I think we will have to look at that, too.

MR SPEAKER:

Does the Minister wish to reply?

HON M K FEATHERSTONE:

I am very grateful, Sir, for the kind words of the Honourable Major Peliza. As the Honourable Chief Minister has said, the question of Government Housing Estates is not covered by this Bill, this is purely for private estates, but we do take the point and my department does work very closely with Tenants' Associations and I shall do my utmost so that that work can continue. As I have said, the situation here does not apply to Government Estates so I think the Honourable Mr Bossano will not need to worry about it.

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

HON M K FEATHERSTONE:

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

SUSPENSION OF STANDING ORDERS.

HON M K FEATHERSTONE:

Sir, I have the honour to move the suspension of Standing Orders Nos. 29 and 30 in respect of the Public Health (Amendment) (No.4) Ordinance, 1981.

Mr Speaker put the question which was resolved in the affirmative and Standing Orders Nos. 29 and 30 were accordingly suspended.

THE PUBLIC HEALTH (AMENDMENT) (NO.4) ORDINANCE, 1981

HON M K FEATHERSTONE:

Sir, I have the honour to move that a Bill for an Ordinance to further amend the Public Health Ordinance (Chapter 131) be read a first time.

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

SECOND READING.

HON M K FEATHERSTONE:

Sir, I have the honour to move that the Bill be read a second time. Sir, rainfall from the 1st January to the end of November this year has totalled approximately 18,000 tons. This compares very unfavourably with the same period last year when some 59,000 tons were collected. In spite of this 59,000 tons, last year's rainfall was much lower than average and this is reflected in the low yield from the wells during this year. The amount actually produced was lower than for the same period last year by some 22,000 tons. The cumulative effect of these shortfalls coupled with a small increase in consumption, and consumption is increasing at about 3% to 4% per annum, means that by the end of November our stocks of water in the reservoirs had fallen to a critical level of some 6 million gallons. It might be pertinent to comment that the absolute minimum is some four million gallons but when stocks fall to this level it is almost impossible to work the reservoirs satisfactorily owing to pumping difficulties and the water quality could not be maintained. When the stocks this year, Sir, had dropped to six million gallons, the position was that we had to rely on two distillers and a reduced rate of importation from Morocco where there was some restrictions on the quantity of water which could be given to our tankers. Any breakdown in any one of the distillers would have meant a most serious situation and irrespective of the possibility of a breakdown, the distiller situation was such that they were nearing the time when they would have to shut down for overhaul. Indeed, the North Face distiller, which has worked continuously for the last ten months, should have been shut down for overhaul some weeks ago and great credit is due to the PWD engineers and distiller plant workers that the two plants have been able to be kept working reasonably satisfactorily. Government was therefore faced with a situation that either drastic water rationing would have to be implemented, this being done by cutting of supplies and fitting stand pipes at various points from which buckets of water could have been collected or to import water from the United Kingdom by tanker. The possibility of rationing could not be countenanced and a decision was taken to import some four and a half million gallons or 20,000 tons by tanker from the United Kingdom. The cost of this water will come to approximately £190,000 and when sold under the normal methods of supply will only produce about £59,000, leaving a shortfall of £131,000. This shortfall could be covered by increasing the already considerable subsidy to water in the account or by a surcharge on all water used for a period of time until

the shortfall were covered. The Government has decided to adopt the latter course and therefore this Bill seeks to put a surcharge to be known as IWA, or Imported Water Allowance, on all water consumed over the next four months. The surcharge will be at a flat rate of 7 pence per unit of 100 litres irrespective of the current price of the water supplied which means that if you are using water at 13 pence per 100 litres, then you will pay 20 pence per 100 litres. If you are using as an industrial user water at 40 pence per 100 litre, then you will pay 47 pence. It has been calculated that if the surcharge is applied for the months of January, February, March and April next year, this will bring in sufficient money to cover the shortfall. To the average domestic consumer the increase per month will range between £1.70 and £2.50 per month. This is not considered to be too heavy a price to pay for a continued supply of water during this critical period rather than suffer, as some of our neighbours have done, the vicissitudes of intense water rationing. I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Mr Speaker, we are opposed to the principle of the Bill. We agree entirely that the Government should do everything it can to keep a continuous water supply to the population but we don't like the introduction of this water adjustment charge, it has unhappy memories of the fuel adjustment charge which we have in relation to electricity. It is not for us to judge whether the shortfall should be subsidised from the Water Fund or not but I think that what we ought to consider, the Budget is in March or April, and the Government will then have to look at their total water bill and decide what should be done in the circumstances. We don't agree that the shortfall of the tanker should be made up immediately because, after all, we may get some rain next year, the situation could change quite a lot and there is no reason in our view why people should be penalised for using the water that they are entitled to use if the supply is there. We don't like the introduction of the principle of this adjustment charge because we know that this won't be the first time it is done, it will take a permanent state although this Bill doesn't allow it because it is only for January, February, March and April, but if we agree to the principle we will get a situation where water, like electricity, is made subject to this adjustment formula. We don't like it, we think that it is the obligation of the Government to provide water at the most reasonable charge it can

provide it and taking account of the whole cost of production and not just go to a particular area of production, for example, a tanker, to justify an increase. I think we must look at the picture at the end of the financial year and decide what has to be done. We don't like the introduction of the adjustment formula. The principle of the Bill is what we are opposed to.

HON J BOSSANO:

Mr Speaker, I will be opposing the charges proposed by the Government. It seems to me that in this particular instance, what the Government is saying is that the water that is being imported is going to be met, the whole cost is going to be met by the consumer, there is not going to be any subsidy because the Minister has said that if that water was sold at the normal price of water, it would effectively be sold at a loss of £131,000 over the cost price and that the introduction of a levy for a period of four months will, in fact, re-coup that loss and consequently I imagine the Government expects to finish the account on the same basis as it would have done had it not had to import the water, that is, the cost of the tanker will come entirely out of the consumers of the water. The only thing is, of course, that people are going to be charged not on the marginal increase in the water which is the water being brought in, but on the whole of the water they are consuming, including the water that they may be getting from the pump in their underground tank, and as far as I am concerned I think if we have got a shortage of water and we have got no way of overcoming the situation other than importing, then I would agree with the Government that the right thing to do is to import rather than introduce drastic rationing but I can see no justification of saying that the consumption over the next four months has got to be made to pay for the bill for the tanker. I do not support it.

HON W T SCOTT:

Mr Speaker, a small contribution. It seems to me from questions and answers and information we have been soliciting for quite a few months now, that even if we had had the average rainfall that we might have expected throughout this last year, we would still have been short of the requirements of fresh water in Gibraltar, both in wells and in rainfall. This is why in a supplementary, I asked the question of whether Government intended having another desalination plant or another distiller in its Development Programme. It seems to me, therefore, Mr Speaker, even more important now that this should be effected because I can see a situation where come three or four months' time from now, we might find ourselves in a similar situation yet again. On that basis, if the Government has not already given the great priority to this desalination plant, I think it should reconsider the priority it should give to it and place it really high on the list.

HON CHIEF MINISTER:

Sir, I regret to say that since the dissolution of the City Council, the powers that I was reputed to have in producing rain when there was a shortage have dismally disappeared and I have never been able to catch up on it since then. It seems to me that we are very lucky in Gibraltar in spite of everything that we have been able to ensure a continuous supply of water for many, many years. It has been at a cost and in respect of consumers it has always been a subsidised one, and rightly so, and developing the theory propounded by the Honourable Mr Bossano that because we have to be self sufficient the general body of tax payers must pay for the benefit and that we are doing. The Minister said this morning something which I thought was very helpful in reply to the Honourable Mr Scott about the consumption, that the call for economy of water had had an effect. I think that if this temporary increase has the further effect of making people much more conscious, then we will have achieved something apart from re-couping the money that we are paying for this particular one. We know we are selling water to the consumer at a heavily subsidised rate, this is just to recoup this special thing and to highlight what is here fortunately not felt but which anybody who watches television on the other channel will know that for eighteen months there has scarcely been any rain and I do not agree with the Honourable Mr Scott that had we had average rainfall we would be in the same position. Of course we wouldn't because not only would we have had the water in the catchments but the point is that with average rainfall the wells yield considerably more than with the dry period that we have had. When we tax the wells too much, as was done during the war, we nearly killed them. This we found in 1945, when we entered the Council during the war year, the wells had really been sucked out of water and the water that was being delivered then was very, very hard until gradually the wells were nursed again. This is, perhaps, the only benefit that we can get from the rains in Spain that goes into our pumps and into our wells. This Bill is just a temporary measure which we feel will highlight the situation which some people take too much for granted, that we ensure a continuous supply of water even where in other places they have great difficulties in maintaining even a ration which to us unfortunately would require considerably more expense because rationing water and cutting water at certain times brings about a considerable amount of waste because of the rust in the pipes and we would have to have special machinery to do so.

MR SPEAKER:

I will call on the Minister then to reply.

HON M K FEATHERSTONE:

Sir, with regard to the point raised by the Honourable Mr Isola, I think that he hasn't quite understood the principle. The principle is, of course, that the small user will pay a small surcharge and the large user will pay a high surcharge. If you have got two people, both earning the same salary and both paying the same Income Tax and you were to put all this extra cost into the water deficit where it would have to be paid eventually out of the Consolidated Fund, then you would have one of those two people, who are both on the same economic footing, subsidising the other and this would be unfair. I think that the principle we have evinced is a reasonable principle. As far as Mr Bossano's point is concerned, the domestic consumer who in the main uses less than four thousand five hundred litres per month, will be paying at the rate of 13p plus the IWA of 7p which is 20p, he will still be getting subsidised water over the marginal rate, subsidised to the tune of something between 50% to 33%. I think, once again, it is not really unfair that they should pay this extra for this special supply that we have to bring in. I take the Honourable Mr Scott's point about the distillers, we have a new distiller scheduled, the tender should be coming out within the next four to eight weeks and as I have already said, we are going to ask for some money in this session of the House to get on with some of the civil works that are necessary. We are very aware that the need for more distillers is very urgent. As I have said, the consumption of water is steadily rising and, of course, we cannot put all our faith into importation from reasonably short distance sources and naturally we don't want to put very much need into importation of water from the United Kingdom from where it is very expensive. I think that the Honourable Chief Minister has said the Honourable Mr Scott is somewhat wrong in his calculations. If we had had a normal year of rainfall and a normal amount of water from the wells, we would have been some 2 to 3 million gallons better off and, of course, the situation would not have arisen that we were so critically low in stocks. I commend the Bill, Sir.

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

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

The following Honourable Members voted against:

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

The following Honourable Members were absent from the Chamber:

The Hon I Abecasis  
The Hon Major F J Dellipiani  
The Hon A J Haynes

The Bill was read a second time.

HON M K FEATHERSTONE:

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 CITY FIRE BRIGADE AND FIRE SERVICES (AMENDMENT)  
ORDINANCE, 1981

HON DR R G VALARINO:

I have the honour to move that a Bill for an Ordinance to amend the City Fire and Fire Services Ordinance 1976 (No.19 of 1976) be read a first time.

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

SECOND READING.

HON DR R G VALARINO:

Sir, I have the honour to move that the Bill be read a second time. As explained in the explanatory memorandum, this Bill seeks to amend the City Fire Brigade and City Fire Services Ordinance (No.19 of 1976). Clause 2 amends Section 3 of the principal Ordinance which, incidentally, defines areas in which the City Fire Brigade is responsible for fire prevention and control and it indicates it so as to include the auxilliary Camber and those parts of the Rock and the North Mole that are now not held or occupied by the Ministry of Defence. In fact, this Ordinance has been so drafted so that any future MOD land coming over to the Gibraltar Government is automatically included in the Schedule and we do not have to come back to the House to cover any handing over. Clause 3 amends Section 30 of the Principal Ordinance and, in fact, has three subsections. (A) for the making of

regulations for the certifying for fire safety purposes of premises or classes of premises to which the public have access in which people are employed and, in fact, covers all public premises and premises where people are employed. Basically, this is a step up in the fire precaution regulations and is a desirable object as we want to bring all standing regulations as far as UK standards are concerned. The other thing about this Bill is that it also provides for the Governor to make regulations and designate, thereby preventing any further comeback to the House. Section B, requires fire extinguishers and fire fighting equipment to be provided and maintained in premises. Not only does it do that but it requires any landlord, or owner occupier, to provide these fire extinguishers and fire fighting equipment in their own homes, it also allows the Governor to make regulations and thereby avoiding cumbersome and separate legislation. Subclause C, is really a provision for penalties and these penalties are set out, as you can see, in that paragraph. This is the initial move in order to bring fire prevention regulations up to a very acceptable level and, as I said before, at par with the United Kingdom and forms part of a package deal in which we started off with the public sector in providing fire extinguishers, which was extremely successful, and now we are getting to the field of the private individuals and shops and premises. I think this is something worthwhile, something which must be considered and in the context of Gibraltar being so small and at times being so difficult to get to in case of an emergency or a fire, I strongly commend this Bill to the House.

MR SPEAKER:

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

HON G T RESTANO:

Mr Speaker, I had misgivings when I first saw this Bill and having listened to the Minister propounding on it has made me even more worried about some sections of this Bill, particularly subclause 2, empowering the Governor to make regulations and, in fact, compelling owners or occupiers of premises to have fire fighting equipment in their premises. What I don't like about this is that it should be by law. Of course I think it is a good thing to have fire fighting equipment in as many premises as possible but I think this should be done more by encouragement than by legislation. Another matter contained in the proposed regulations under subparagraph 3, is the providing of applications for certificates. I would like to know, and I would like the Minister when he replies, to say who is going to pay for this. Are all the owners of premises going to pay this, what are those charges going to be?

Then, again, prescribing the manner in which the extinguishers and equipment specified are to be kept in premises or classes of premises. What, in practice, is going to happen, Mr Speaker? Is, in fact, the Fire Brigade going to go to premises and say where all the equipment should be placed, and is that service to be given free of charge? Then subclause G, which regulates the sale, supply, installation, repair, maintenance and inspection of the fire service and fire fighting equipment. We do not like the principle of one department being able to impose on individuals what sort of machinery, what sort of equipment they should be purchasing or installing. I think that goes against the principles of free trade, I think it could well be a Government incursion into the private sector. So, Mr Speaker, subject to getting some explanations, some further explanations from the Minister on those points that I have raised, we certainly could not go along with subparagraph 2 of this Bill.

HON J BOSSANO:

I find it difficult, Mr Speaker, how one can go along with legislation that provides up to six months imprisonment as a punishment for somebody that refuses to have a fire extinguisher in his house. Unless I have read the law wrong, that is implied. If one can make regulations requiring occupiers of premises to have and to maintain in effective working conditions fire extinguishers and then there is under Sub Clause H, it says that contravention or failure to comply with any regulation made under the subsection shall be a criminal offence and provides for penalties not exceeding a fine of £50 or imprisonment of six months. It sounds somewhat grotesque to suggest that this is going to happen in fact but, in fact, this is what the legislation enables the law to provide for, it enables for a law saying that if your fire extinguisher isn't working in your house they can lock you up for six months. I can't say that I share the optimism of the Minister as to the effectiveness of the distribution of fire extinguishers that we have had to far. I know that they have been distributed but I am not quite sure whether anybody knows what use they are being put to and precisely where they are, or how accessible they are in a case of fire. I know personally that a lot of people have still not got the fire extinguisher out of the box in which it was delivered and are not quite sure what is in the box until occasionally they come across it and open it and look inside. As a means of ensuring effective fire protection I don't know how good that will be but I think one will find that generally speaking it is the people who are less capable of organising their own lives and their own affairs and when we have had fires in Gibraltar occasionally it has been not infrequently through neglect of basic safety requirements like not leaving things turned on or not leaving lighted cigarettes lying around and this sort of thing and I think that there is a correlation

between accidental fires of this nature and the reliability that one can place on people who are perhaps not very well equipped to handle their own affairs actually getting round to finding the fire extinguisher and knowing what to do with it rather than running out into the street screaming for help from the neighbours. I think it is perfectly legitimate for the Government to say: "Well, we think that there is a fire risk in Gibraltar, that because Gibraltar is very small and very crowded we need to limit people's freedom and we need to have a law that requires everybody to have a fire extinguisher ready and available in their house and well maintained". However, I don't think the history of fires in Gibraltar indicates that we are running this enormous risk. If it were the case and if the social good requires it, then I am certainly prepared to defend as a political decision that the limitation of the freedom of the individual can be justified for the good of the community and it is a philosophy that I do not shrink from defending, but I am not satisfied that the case has been made here.

HON ATTORNEY-GENERAL:

Mr Speaker, I would like to speak to the manner in which the controls because that is what we are talking about, controls or potential controls, is presented in this Bill. The question of whether or not there should be compulsory control in relation to the fire hazards I think is very much a matter of policy, if that is the right word, or technical policy if you like. The way in which that is carried into effect in this Bill is of course to enable regulations to be made if the Government choses to do so. The first point that I would like to make is that when these proposals originally came up, there was a suggestion that they should be by way of an Ordinance as such but I don't think that is really the best approach and I advised against that approach because we already have a principal Ordinance, the one which it is proposing to amend which already deals with the general matter of fire control and fire precautions and I think these are properly matters of detail to be subsumed under that head. I think whether or not fire control provisions are going to be compulsory is really a matter, if you like, of technical policy but one point that does occur to me is that I should explain why they have been done by way of regulations but if there were any feeling on the Government side and in the House that these powers are wide powers, well, of course, it would be a relatively easy matter to have a subclause in the Bill saying that the regulations must be laid on the table of the House. If I can speak to three particular points. One of the Honourable Members referred to paragraph (g), the new paragraph (g), that is to be included in the regulation making powers in Section 30 of the Bill, I would simply say that what we have done here is to redraft the whole of a section which already exists and that particular provision as already established in the Bill. The Honourable

Member will see if he looks at Section 30 that there is already a paragraph (f) which deals with that point and this is not a new principle in this amending Bill. If I can turn also to the question of offences. Because it is a general enabling proposal, I think that as a matter of practice one normally provides in general terms for offences. Of course, the regulations that are made, those of them which are offences would have a varying degree of gravity according to the nature of them. It is not usual practice in conferring regulation making powers to break up into detail in the enabling powers themselves the different levels of penalties that can be provided, that is normally dealt with when you come to make the actual regulations. There is also a recognised convention, I think, in spelling out criminal penalties which is this, that if you put the fine first and then the term of imprisonment subsequently, the courts will, in general, interpret that to mean that normally the matter should be capable of being dealt with by way of a fine but there may be some cases in which imprisonment is warranted and I think that leaves this question; can there be any case in which imprisonment is warranted in regulations which might be made under this section? Perhaps, normally not, but I think if we are dealing with premises to which the public at large have access and premises in which employees routinely work and after all they are two of the classes of premises to which regulations can be made, and if you have a big enough situation then, even if infrequently, there may very well be cases when the gravity of the offence is such that a six month's penalty would not be excessive.

HON A T LODDO:

Mr Speaker, I would just like to ask a question on clarification. What type of fire equipment did the Minister have in mind? Is it the same type that Government has installed in its estates because, I can think immediately of four different types of fire fighting appliances and I don't think it would be practical to have the four in one's house. Each one used for a different type of fire. I can think of foam, water carbon dioxide and powder. If the Government installed one type of appliance in its estates, one would expect that the most that could be required from the private individual would be a similar appliance, whether he bought it from one manufacturer or another, it would be entirely up to him. I think it might be cumbersome to expect any private person to be lumbered with, say, three different bits of equipment for three possible types of fires in his premises.

HON P J ISOLA:

Mr Speaker, I fully sympathise with everything that has been said on this side of the House. As I understand it and perhaps the Minister will be able to confirm it, in England they are now going back to the theory and to the thought

and advising people where fire fighting is concerned, people who live in houses or in the case of business premises, that if there is a fire they close doors, get out and call the Fire Brigade straightaway. Because if people start handling extinguishers that they don't know much about or they have forgotten how to do it, and it's been there, they have never had a fire for years, they are likely to be suffocated and damage is likely to be done to them by trying to fight the fire. I think that is a very important point of principle that we have to know before the Minister launches the whole of Gibraltar into a very, very expensive exercise, which is the second part of my question; can Gibraltar afford this sort of legislation and this sort of compulsion on people in houses and in tenancies and in businesses to have fire fighting equipment and fire extinguishers all over Gibraltar. The Minister says that it has been done in the public sector but that has been done entirely at public expense. Has it been successful? Is it true what my Honourable Friend says, that in many houses the fire extinguishers are still in the boxes in which they were delivered? Has the Fire Brigade the capacity to go round to every individual household and tell everybody how to use these fire extinguishers? Mr Speaker, we are being launched here into an exercise, at times of crisis in Gibraltar the Minister is launching us into an exercise giving extensive power to the City Fire Brigade, when I am sure they haven't got the manpower unless they go doing this after hours and again an extra charge on the revenue of the colony through overtime and so forth. What are we being lead in for, Mr Speaker? I agree with what the Honourable Mr Bossano has said. Fortunately, mercifully, we don't have a very high fire record in Gibraltar and I would say that in most places in Gibraltar the advice that is given in England would be sound and proper advice to give. Close doors, get out, and call the Fire Brigade. Don't start playing around with these fire extinguishers which may still be locked up in your case, or which you may not know anything about. It is all very well for the Minister to talk about the public sector but the public sector, apparently, has been an exercise in wasted expenditure if there is one single household that still has its fire extinguisher in a box. I recall the reasons why that happened. That happened, I think, as a result of questions from Honourable Members on this side of the House about the hoses in the various blocks, I think it was in Red Sands Road, in Humphreys, not having been maintained and being in a terrible condition. The Minister came back with a brilliant idea that they were going to throw away all these things and provide an individual fire extinguisher in every tenement in Gibraltar. That was an experiment that, apparently, has not succeeded whatever the Minister may say, judging from what one hears. It has not succeeded or it may have succeeded but it hasn't been put to the proof. Mr Speaker, I agree with my Honourable Friend, Mr Restano, these are very, very wide powers. I think it would be much better to persuade people that it is in their

interest not just to buy a fire extinguisher but it is in their interest to call the City Fire Brigade. For example, firms of some size, or hotels, for the Fire Brigade to go there and instruct people in the hotels how to deal with it and so forth. I would also like to know how many fire extinguishers the Minister is going to put in each office. What is it going to be, one per room, is there a norm to this? Is it the landlord who is going to be told to buy it, or is it the tenant who is going to be told to buy it? Is this going to have an effect on rent if it is going to be the landlord? Is the landlord just going to be compelled to buy an extinguisher or is that going to be passed on to the tenant, or is it going to be the tenant? We are not happy with this Ordinance, Mr Speaker, and certainly unless we have satisfactory answers we will vote against it.

HON DR R G VALARINO:

Mr Speaker, Sir, certainly Mr Isola shows the lack of knowledge that exists as far as he is concerned about fire precautions. He ought to know that Hotels have got to conform with fire safety regulations and, in fact, we have had a tremendous number of fires in Gibraltar. If he cares to remember, we had a very large fire at the Rock Hotel which fortunately, due to the fire prevention regulations at the time, was minimised. We have had fires at the fibre glass factory, we have had fires at the Deputy Governor's office, we have had fires at the clubs in Bell Lane. In fact, we have had a tremendous number of very large fires and in a small place like Gibraltar it is important to be able to fight the fires as soon as possible. In reply to Mr Bossano, he said that of the fire fighting equipment which we had provided, half of it was lying idle. I can tell him that not so long ago, there was a very large fire at Rosia Dale and it was only through the services of the people there and in fact they used five fire extinguishers, that a tremendous amount of damage to Rosia Dale was avoided. When you consider, in practical terms, the amount of fire fighting precautions, compare that to the amount that nowadays it costs to build just one house, it is worthwhile to have all the fire fighting regulations available as much as possible especially in Gibraltar because, unfortunately, roads are narrow, there are a lot of steps and it is certainly not easy for the Fire Brigade, who are an excellent body, to be able to fight these fires. Mr Isola well knows that places that are open to the public have both fire fighting equipment as far as doors is concerned to prevent smoke which is extremely deadly and the fire fighting equipment and if he wishes, I would show him an ordinary extinguisher and show him how simple it is and how easy it is to operate and as a first line of defence it is the ideal system that can exist in Gibraltar. In fact, we are daily getting letters from people in Gibraltar thanking us for these fire extinguishers that we have provided in the public sector.

There was a comment from the Honourable Mr Restano as to how much this was going to cost the public. Well, let me assure Mr Restano that this will be free of charge so that no money will be involved in this direction as far as checking the fire fighting equipment, re-habilitating that equipment and anything else that goes with it. The last two points made were why don't we compel the people of Gibraltar by encouraging, so that they can have fire fighting equipment. I think this is a useless exercise. You would be able to compel certain factories because they come under the Factories Ordinance, but to compel certain individuals, certain households, this is totally impossible and, in fact, it is really to some extent rather irresponsible. The last item that Mr Loddio brought up was, what type of equipment would be used. Certainly, the type of equipment that would be used would be similar to the present one that we are using, whatever manufacturer makes it, but it has certainly proved over the past two years to be the best type of equipment in Gibraltar and we certainly would carry on with this specific type of equipment. Thank you, Sir.

HON P J ISOLA:

Mr Speaker, before the Minister sits down could he possibly tell us whether it is in fact the case that in England advice is being given now, the practice is to tell people when there is a fire, to close the door, call the Fire Brigade and get out?

HON DR R G VALARINO:

Mr Speaker, fortunately enough, I have never been involved in a fire in the United Kingdom. If Mr Isola has had the unfortunate experience of somebody, I am not going to say planting a bomb under his bed or whatever it is, I certainly do not know, but what I certainly know is that the quicker you can tackle the fire the better. The main fires in Gibraltar are cooking fires and this type of equipment that we suggest is ideal for this particular type of occurrence.

HON MAJOR R J PELIZA:

Would the Minister give way?

HON DR R G VALARINO:

Certainly.

HON MAJOR R J PELIZA:

The point is, Mr Speaker, that even on television in England they tell you that if it is a cooker fire you don't use the extinguisher. You use a blanket. Doesn't the Minister think that he should give instructions to every family in Gibraltar

how to tackle a fire before he gives them a fire extinguisher and become Fire Brigades themselves?

HON DR R G VALARINO:

Mr Speaker, Sir, the object of using a blanket is because the type of extinguisher is water driven and water tends to produce a high incidence of fire so therefore the easiest way would be to put a blanket over it.

HON J BOSSANO:

A wet blanket.

HON DR R G VALARINO:

The type of dry powder extinguishers that we have are the best that we can use for any burning oil or burning fat or anything of that nature but I was certainly not aware that Major Peliza was a cook in his spare time.

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

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

The following Honourable Members voted against:

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

The following Honourable Members were absent from the Chamber:

The Hon I Abecasis  
The Hon Major F J Dellipiani  
The Hon A J Haynes

The Bill was read a second time.

HON DR R G VALARINO:

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

THE PUBLIC FINANCE (CONTROL AND AUDIT) (AMENDMENT)  
ORDINANCE, 1981.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Public Finance (Control and Audit) Ordinance, 1977 (No.9 of 1977) be read a first time.

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

SECOND READING.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill be now read a second time. Over the last twelve months, the Treasury, the Principal Auditor and the Law Officers, have had under consideration a review of the machinery of the Public Finance (Control and Audit) Ordinance, 1977. Such reviews of machinery of ordinances are a normal feature of administration. However good an ordinance may appear when it is first drafted and presented to the House, inevitably, with the passage of time and experience, certain lacunae, areas of weakness and areas where improvement might be made, appear. The proposed amendment to the principal ordinance may be summarised as follows: First of all there are a number of minor drafting or clerical amendments which are set out in clauses 2, 3, 7, 9, 18 and 19 of the Bill. Secondly, the provisions relating to the guarantees are reviewed to provide that where the Financial and Development Secretary gives a guarantee under Section 9 of the Ordinance, a resolution of the House shall first be obtained for that purpose. This, Sir, is an important amendment because under the Ordinance as it now stands, the Financial and Development Secretary, in writing under his own hand, can give a guarantee involving a financial liability binding on the Government without first informing or seeking the approval of the House of Assembly. Now, to my mind, Sir, this procedure is not fully in accord with the financial proprieties of Parliamentary procedures, in other words, the Financial Secretary can commit the Government and the House to expenditure without seeking its approval. Under the new provisions, a guarantee may be given in accordance with the written law as at present, or a guarantee may be given by the Financial and Development Secretary pursuant to a resolution of the House of Assembly. There is, however, special provision to enable the Financial and Development Secretary to give guarantees in respect of supply of credit or extended credit agreements without prior resolution on the basis that the agreement and guarantees will subsequently be tabled in the House. This procedure, however, may only be used for services for which provision

has already been made in the estimates. In other words, if there is provision in the estimates for a project and it is to be financed by supplier finance, the Financial and Development Secretary can give a guarantee for that supplier finance supply but he must table the terms of the guarantee at the next meeting of the House. Clause 8 revises the provisions of the Ordinance covering the issue of Development Warrants of an expenditure for development projects which are urgently required and cannot be deferred without serious detriment to the public interest. Under the existing Section 30 of the Ordinance, the total of the sums that may be authorised in anticipation of a grant of an appropriation, may not exceed £20,000 or the estimated total cost of the development project of which the advance is made, whichever is the lesser amount. Under the new provisions, new projects for which amounts in the estimates already exist, the upper limit is increased to £100,000, or the actual total cost. For projects for which money has already been voted a limit of £30,000 or £10,000 of the estimated total cost for the balance required to complete as shown in the estimates, whichever is the greater, is provided. The provisions of the principal Ordinance relating to the Principal Auditor are also revised. The Principal Auditor's primary functions are laid down by Section 70 of the Constitution. We are advised that while there is nothing legally wrong with conferring by Ordinance additional functions, so long as these do not impinge on his constitutional functions, the law officers consider that some provisions in the principal ordinance merely repeat what is already in the Constitution and in some cases are inconsistent with them. Furthermore, the law officers advise that as a matter of practice it is undesirable to repeat constitutional provisions because apart from being superfluous, this can lead to misunderstanding. The opportunity has been taken to deal with the matters in this Bill in Clauses 11 to 17. Certain other minor but substantive amendments in the principal ordinance are also made. The Pilotage Fund is added to the list of those funds to which advances may be made without the need to recover such advance before the close of the financial year. The limit of £300,000 on such advances is removed. Sinking Funds for loan purposes are declared to be Special Funds. Because of the devolution of accounting responsibilities to controlling officers, the Accountant General's duty to check payment is restated as a duty to take "all reasonable steps" to do so. These amendments are to be found at Clauses 5, 6 and 10. Mr Speaker, Sir, as I said at the outset it is very much an administration Bill and I hope one which will improve the financial control both of this House, the Government and the Treasury over the expenditure of funds. Sir, I commend the Bill to the House.

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

# HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

## THE SUPPLEMENTARY APPROPRIATION (1981/82)(NO.3) ORDINANCE, 1981.

# HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill for an Ordinance to appropriate further sums of money to the service of the year ending with the 31st day of March, 1982, 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 Bill seeks to appropriate in accordance with Section 65(3) of the Constitution, a further sum of £256,211 out of the Consolidated Fund. The purpose for which this sum is required are set out in Part I of the Schedule to the Bill and detailed in the Consolidated Fund Schedule of Supplementary Estimates No.3 of 1981/82, which I tabled at the commencement of this meeting. The Bill also seeks to appropriate, in accordance with Section 27 of the Public Finance (Control and Audit) Ordinance, the sum of £193,821 from the Improvement and Development Fund. The purposes for which this amount is required are set out in Part II of the Schedule to the Bill and are detailed in the Improvement and Development Fund Schedule of Supplementary Estimates No.3 of 1981/82 which I tabled at the commencement of this meeting. Sir, I would draw the attention of the House to two points only in the expenditure items. First £190,000 of the funds required out of the Consolidated Fund are to meet the cost of importing 20,000 tons of water from the United Kingdom. Secondly, £128,621 of the total amount sought under the Improvement and Development Fund is required for work at the Airport Terminal, £43,734 is a revote of money which was not spent in 1980/81 and £84,887 has been brought forward from 1982/83 because work at the Airport Terminal is proceeding faster than projected. Sir, I would like to give notice at this stage of the Bill of the Government's intention to move an amendment at Committee Stage to increase the provisions required from the Improvement and Development Fund by £60,000. This will be under Head 106, Potable Water Service. These funds are required to extend the reclamation adjacent to No.5 Jetty to site a new desalination plant. Mr Speaker, Sir I commend the Bill to the House.

Mr Speaker then invited discussions 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 at the Committee Stage and Third Reading of the Bill be taken at a later stage in the meeting.

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 House of Assembly (Eligibility of Public Officers) Bill, 1981; the Revised Edition of the Laws Bill, 1981; the Public Health (Amendment)(No.4) Bill, 1981 and the Supplementary Appropriation (1981/82)(No.3) Bill, 1981.

#### THE HOUSE OF ASSEMBLY (ELIGIBILITY OF PUBLIC OFFICERS) BILL, 1981

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

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

HON P J ISOLA:

I beg to move that Clause 1 B of the Second Schedule, be amended by the addition of a new sub-paragraph as follows: "(XXVI) Unqualified, Qualified or Graduate Teacher (other than Head Teacher or Deputy Head Teacher)".

MR SPEAKER:

Do Members wish the amendment to be circulated or are they clear on the matter?

HON CHIEF MINISTER:

No, we know what it is.

HON P J ISOLA:

Mr Speaker, at the Second Reading of this Bill we had a lengthy debate, as we did on my own Private Members' Bill on eligibility, and the argument has eventually boiled down to whether the Government are for or against the teachers. I think that since the Second Reading, I don't know whether

the Teachers have had talks with the Government or not but it is quite clear now, whatever doubts there may have been at previous meetings when we have argued about this point, there is no doubt now that the Gibraltar Teachers' Association considers that to leave them out is an act of discrimination of the Government against them. That is, I suppose, the only new element in the argument that we now have the official union representing the teachers saying that this is an act of discrimination because the Government will not allow a teacher to stand and then be allowed to resign after elected although they are allowing a whole lot of other people to do so. Mr Speaker, I am not going to repeat all the arguments as to why teachers should be included in the Second Schedule. I think they must be very clear now in the minds of everybody. Basically, the principle is that the teacher is a valuable member of our community, is a highly qualified person and we should not deprive the people of Gibraltar of the opportunity of having teachers represented in this House. The record of teachers in this House has been very good, or ex-teachers, if I may put it that way, and in 1981 it is unfair and unjust on the part of the Government to expect a teacher to have to resign his job and take the risk of standing and not to give him the facility which it is now prepared in principle to give to a whole lot of other people of being able to stand for election and then if he is elected he resigns. No one is suggesting that he stays in. The Government has voted consistently against this reasoning and they have not given good or sound reasons, it has been a purely party political matter. The Government is determined as a party policy to prevent teachers from being able to stand for election. That is what has come out from the arguments we have had from time to time in this House on this issue. They just will not listen to reason on this, they have decided; "It is not a good thing to have teachers standing for election, this could be dangerous for us politically". And what we are saying is, Gibraltar needs a good cross-section of the people to be represented in this House and teachers have an important contribution to make to the political life of Gibraltar and we think it is basically wrong for Government to expect them to make sacrifices which they would probably not make themselves today if faced with them, so as to prevent them from standing for election. Mr Speaker, I commend the amendment to the House.

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

HON CHIEF MINISTER:

Mr Speaker, I confirm that the Teachers' Association have made representations on two matters. First of all, on their right to be eligible for election without resigning and then on the way on which we should re-engage them. We have seen our way to meeting their request with regard to re-engagement

after doing four or eight years but we have not seen our way to meet the point of putting them on the Schedule as proposed in the Bill. The matter is a political one, but not for the purpose or the reasons stated by the Leader of the Opposition that we want to keep away people. We might have, equally, teachers at the next election who would aspire to become members of the party and candidates. The principle is a political one but a different one. I have explained it here and I have been explaining it many years, it is a traditional attitude of the AACR that they feel that this is not an area where there should be any special reason why they should be allowed whilst being in employment to have leave of absence to stand for election. Any teacher worth his salt who wants to go into politics can well afford to resign and then the conditions of re-instatement if not elected are likely to be very similar unless of course they have special posts. It is a political objection, but not for the reasons mentioned. In fact, we had objected long before my Honourable colleague here was a member of the AACR and we have always maintained a view which I think has already been explained far too many times to take time here now to discussing the merits because it is one of those which traditionally two sections of the community can have a different view for good reasons both of them but which they just don't match.

HON MAJOR R J PELIZA:

Mr Speaker, I think the Government seems to have been in the past, anyway, because we haven't heard any new argument today, basing its objections on the premise that a teacher, although he cannot influence Government policy, he could influence the children in the class. Then the other argument was that we were very keen on teachers because we had a particular person that was a candidate and we want him to stand. If I may take the second one first, Mr Speaker, that is absolutely absurd. We have been fighting this battle long before now and therefore this has nothing to do with any particular candidate. I thought in that respect it was rather bad debating on the part of the Government to mention names, I think we ought to try and avoid becoming personal.

MR SPEAKER:

That was another meeting.

HON MAJOR R J PELIZA:

Anyway, the other reason, which is the most important one, is that a teacher if he does ask for leave to stand for election, then simply by doing that he is going to change his personality and now, because he has done that, he is going to start influencing people. Surely, Mr Speaker, a person who identifies himself publicly with a particular political party is therefore in a much more difficult

situation to try and influence the classes that he is teaching and people around him at school because he can be immediately identified with a political party and, therefore, Mr Speaker, he is going to be very, very careful precisely not to do that. It is the other type who does not identify himself with a political party and may be working for a political party, clandestinely, who can influence the class and is much more likely to influence the classes because he cannot be identified with any political party. Every teacher, if he is an educationalist, has certain ideologies and in that respect nothing is going to stop him influencing right through whatever he may be teaching, whether it is mathematics, or whether it is geography, or whether it is history, or whether it is English, of his personality not reflecting his own particular ideas, and that is almost impossible to repress, Mr Speaker. The only thing is that the person who is identified with a political party becomes more conscious if we accept that he is becoming a politician professionally and when you are professional in anything I think then you go by certain conventions. The same happens to lawyers, Mr Speaker, it happens to doctors. We all know that once you acquire a profession of a kind you have a certain convention within you, the way you have been brought up, professionally so that you do know your lines of demarcation beyond which you will not go. In my view, Mr Speaker, if that is the only reason the Government are doing it worse by stopping the teachers from being able to stand for election. What is the difference of what the Chief Minister has said now and giving them the right to stand for election and then to re-engage, none whatsoever. He has almost given an undertaking in this House, if one can assume that this is an undertaking, and I suppose it is because he told the teachers themselves, he told the Teachers Association, that he could see no problem in re-engagement. If I am wrong in what I am saying, perhaps the Chief Minister should correct me.

HON CHIEF MINISTER:

There are two points that I should make clear. What we have undertaken formally is re-engagement on the terms on which they have asked for, after serving. What I have said is that it is not likely, having regard to the state of the profession and the time that is required particularly if the election is in the summer, it would hardly be difficult for them to obtain their job back. That is a different thing to the undertaking that I have given accepting their proposal on re-engagement after service, they are two different things.

HON MAJOR R J PELIZA:

I am a bit confused, I don't quite understand. As I see it, Mr Speaker, you have a teacher who stands for election. If he is not elected, obviously he resigns because there is no other way he can stand for election. He resigns and if he is not elected he will be re-engaged. That is what I understood.

HON CHIEF MINISTER:

He is likely to be re-engaged.

HON MAJOR R J PELIZA:

He is likely to be re-engaged.

HON CHIEF MINISTER:

The other one is that if he is elected and does a term or two and then resigns, he will be accepted, provided there is a vacancy, or course, at the stage at which they have asked for, they would be re-employed at Scale 1.

HON MAJOR R J PELIZA:

Well, Mr Speaker, I still don't understand what is the great difference between allowing this in an obviously proper manner, as it should be, the same as all the other civil servants who will be eligible to stand for election will get it and this particular difference to this particular set of civil servants to which obviously there cannot be any objection, absolutely no real objection to their standing for election to the extent the Chief Minister has said we will re-engage them if it is possible. I can't understand that. Obviously Mr Speaker, it is no good carrying on because I doubt whether I am making any impression at all on the Government but I am glad to see that there is now, I think, hope for those in the profession who if they really feel very strongly for politics they need not feel that everything will be lost for them and their family if they stand for election. In that respect, I welcome the change.

HON J BOSSANO:

Mr Speaker, I do not support the amendment because I do not support the Second Schedule, obviously, and in fact I am standing up simply to put on record the position which is well known to Members of the House. I said, in fact, at an earlier stage in the First Reading of the Bill that I would be moving an amendment but I think I would only be taking the time of the House up with something that the Government has made up its mind about and there really seems to be no point in just repeating arguments that have been already gone over again and again and again. The position of my Party is that we do not accept that people should be asked to resign even after election, never mind being asked to resign in order to stand and therefore whilst I take fully the argument that there seems to be no satisfying explanation why the teacher should resign and somebody else shouldn't have to resign until after he has been elected, the argument of the GTA that they are being picked out for special treatment seems to me a valid argument, nevertheless what the GTA is asking

for, as a Union, does not go far enough for us. We, as a party, believe that the First Schedule should cover the Gibraltar Government employees as well as covering the employees of the UK Departments and we believe that it is not up to the House of Assembly, I am not saying the House of Assembly has not got the power, I am saying that politically, it is unacceptable to us that we should be saying who can stand and who cannot stand in competition with us for this House of Assembly and where they can be employed and where they cannot be employed. As far as the Government as an employer is concerned, then it is up to the Government to negotiate with its different categories of employees, like the MOD will do because, in fact, the First Schedule, theoretically, allows anybody of any level but it is the employer who says to the employee: "Look, as far as I am concerned your political participation is going to be damaging to the requirement that I have that you do a job of work for me for which I am paying you". That is a matter for the relationship between the employer and the employee, whereas whenever we have discussed the situation we have been discussing it as politicians sort of laying down the rules for prospective politicians and we think that, in fact, the law should allow everybody to stand, the law should, if anything, contain protection for people. The MOD itself has made clear since we brought in the first amendment in 1976 allowing one category of public servants to stand, the MOD has laid down that people will have so many days a year of special leave to attend House of Assembly meetings, if they are in Opposition they can retain their job, if they are in Government they get unpaid leave with certain guarantees. These are things which have been offered, in fact, by the employer to its employees and we think that the model of the UK Departments should, in fact, be the sort of protection that anybody in any employment, whether in the Government or in the private sector, should be entitled to have as protection to enable him to exercise his civic and political rights to the rule. We think that one of the things that the law should be seeking to do is to protect people against pressure of unfair dismissal or pressure from employers because they exercise their political rights just like they are today protected for exercising their trade union rights.

HON CHIEF MINISTER:

If the Honourable Member will give way. I know that he is preaching a policy which is not acceptable in this case in either side, I think, but would the Honourable Member not agree that if you left it completely open it would lend itself to a considerable amount of industrial action because if in fact, say the Government, as an employer, would not be bound by law or rather the employee would not be bound by law but would be bound by regulations issued by the Government as the MOD are going to do and say that this body of people are not able to stand for election because they deal

with sensitive stuff or for whatever reason and then you make that rule, which is not like a law which is either changed here or not changed and then there was industrial action because somebody wanted to stand up for election, well, it wouldn't be industrial action but we know that we call industrial action a lot of things which are not industrial in order to bring pressure on the employer, and they would say: "Alright, we go slow, we come late, whatever it is. We black this thing, we black the other," in order to bring pressure to bear on the employer in this case, for example, the Government, because Mr X has not been allowed under the rules of the employer to stand for election.

HON J BOSSANO:

Mr Speaker, all I can say to the Chief Minister is that he knows very well that the Government has been discussing with unions limitations on Government employees as regards their second employment and as regards the right to have businesses. Clearly, the Government there is applying the principle that there can be a conflict of interest between what a Government employee does in the hours for which he is being paid and what he does outside those hours. I am saying that if the conflict is of that nature, in being in the House and being employed by Government, then that is the forum in which it should be treated and what I am saying is that the focus which has been constantly used in looking at this problem is that we are saying who is acceptable in the House of Assembly whereas, in fact, the argument has been who is acceptable as an employee given his other activities and whether those activities are membership of the House of Assembly or owning a business in Main Street or having a part-time job, I think there is a parallel in the criteria and certainly I would say to the Chief Minister that if he is talking about industrial action I can find very little argument why an industrial worker cannot be employed in the Government, in industrial employment, and sit on the Opposition.

HON CHIEF MINISTER:

I am afraid that I only asked that by way of illustration but I wasn't thinking of the industrial people. These days everything is called industrial action. I mean clerks, for example.

HON P J ISOLA:

Mr Speaker, this is a limited action. I do not think I shall deal with the arguments of the Honourable Mr Bossano because he hasn't got a hope in heaven of getting those principles accepted. On this one finds a bit of inconsistency in the Government's argument that they tell the teachers: "Look here, if you resign, you take the risk and you don't get elected, well, we will view with sympathy your re-engagement. If you resign and you get elected, then we are prepared to agree

re-engagement after a period of four years or eight years." Then what is stopping them from just going that little bit extra and saying that they do not have to resign. It must be political prejudice of some kind, Mr Speaker, it cannot be principle. After everything that has been said about teachers in this House we now find that the Government is telling them; "If you resign we will re-engage you, four years or eight years, if you resign and you get elected, we re-engage you".

HON CHIEF MINISTER:

I think you have got it wrong. What we say is, if you resign and you are away on a period or two periods of service, and you apply to be employed and you are employed, your Scale 1 will be preserved. That is what it means. That is, the status on which they are re-employed if there is a vacancy, there is no question of guaranteeing them employment. I am sorry you got it wrong.

HON P J ISOLA:

The impression I got from what the Chief Minister said was that they had agreed to re-engage them.

HON CHIEF MINISTER:

We have agreed on the terms they have asked for.

HON P J ISOLA:

Well, Mr Speaker, then of course there is nothing I have got to say. I don't agree with the arguments of the Chief Minister. I can't agree that if the Government will re-engage them if there is a vacancy or if they don't get elected they will take them back, from there to actually allowing them to stay in until elected, is such a small dividing line that as I say, it is just political prejudice, cussedness is the word which has been used. Mr Speaker, I commend the amendment to the House.

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

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

The following Honourable Members voted against:

The Hon A J Canepa  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan

The Hon J P Perez  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon D Hull  
The Hon R J Wallace

The following Honourable Member abstained:

The Hon J Bossano

The following Honourable Members were absent from the Chamber:

The Hon I Abecasis  
The Hon Major F J Dellipiani  
The Hon A J Haynes

The amendment was accordingly defeated.

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

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

The following Honourable Member voted against:

The Hon J Bossano

The following Honourable Members were absent from the Chamber:

The Hon I Abecasis  
The Hon Major F J Dellipiani  
The Hon A J Haynes

The Second Schedule stood part of the Bill

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

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

THE REVISED EDITION OF THE LAWS BILL, 1981

Clauses 1 to 8 were agreed to and stood part of the Bill.

Clause 9.

HON ATTORNEY-GENERAL:

Mr Chairman, Honourable Members will remember that it was intimated at the Second Reading stage of this Bill that an amendment would be proposed to this Clause. The Clause deals with the formal copies of the laws which are to be kept, the bound copies. The Clause as drafted provides for four bound copies to be kept and I beg to move the following amendments to this Clause. In Clause 9 (1) to omit the word "four" and substitute the word "five" and in Clause 9 (2) to insert after the words "Chief Justice" the words "The Chief Minister". The effect of this will be to provide for five bound copies, one of which will be kept in the office of the Chief Minister.

Mr Speaker put the question in the terms of the Honourable the Attorney-General's amendment which was resolved in the affirmative and Clause 9, as amended was agreed to and stood part of the Bill.

Clauses 10 to 15 were agreed to and stood part of the Bill.

Schedule

HON ATTORNEY-GENERAL:

Mr Chairman, I beg to move that the Schedule be amended by inserting opposite the word "Schedule" the expression "Section 5 (1) (g)". Mr Chairman, would you wish me to read at this stage the other amendments?

MR SPEAKER:

Yes, I think that since they are amendments to the Schedule we should do the whole thing now.

HON ATTORNEY-GENERAL:

And further, to insert in their appropriate chronological order the following items, and to renumber the items in the Schedule accordingly. "Repatriation and Resettlement Ordinance (Chapter 140)". "Temporary and Emergency Laws Continuation Ordinance (Chapter 150)". Mr Chairman, speaking to the first point, this is merely a convention we have in the laws of identifying alongside the Schedule the sections to which it gives effect. It is purely a formal amendment. The more substantive amendment is to add to the Schedule two laws of Gibraltar. Members will recall that the Schedule specifies particular Ordinances which because of their limited duration or temporary nature, even though they are still legally in force, the Commissioner will be given power to omit from the reprint itself. It continues to be the law of Gibraltar, of

course, but he would not be obliged to include them in the reprint itself because of the infrequency with which they refer to and the antiquity, if you like, or the limited nature of their effect. It is proposed to add two items to this, the two I have mentioned, because they are both statutes which even though they are still in force, they are related to the situation that prevailed at the time of the evacuation and subsequent repatriation of people to Gibraltar. Sir, I move accordingly.

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

HON P J ISOLA:

Mr Chairman, I would like to ask whether the Government should not consider asking the Commissioner, although the law will not provide for this, but generally to have a look and to take note of any laws that require amendment, apart from his job of revision. This is going to cost about £90,000, the revision of the laws and the publication, and there are in our law, I won't go to any particular one, but certainly the Merchant Shipping Acts are in a chaotic condition as far as the Gibraltar situation is, and I would have thought it would be useful to ask the Commissioner if he is going through all our laws, to have a look at, say, obvious laws that obviously require amendment. It can come to the House as a separate Bill before the printing but otherwise we are going to get a situation where we are going to get the laws revised, a new edition issued with a lot of laws already out of date and, therefore, I would ask although it is not provided for in the Ordinance, that authority should be given to the Commissioner to take a look at this.

HON ATTORNEY-GENERAL:

Mr Chairman, the Honourable and Learned Leader of the Opposition may recall, I think, that at the Second Reading stage the point was made that it was contended that the Commissioner should undertake a revision in the broader sense of the word and reasons were given then why it was not considered practicable to do so. The Commissioner will in fact be preparing and will be putting to the Government and the Government may therefore be introducing into the House a Law Revision Bill or Bills, but I would like to make it clear that this is not in any sense an extensive law revision, but certainly as he prepares the reprint if he sees matters which he feels should be dealt with and which involve substantive changes of law, then within reason he will be preparing a bill or I think, possibly, more than one bill and putting it to the House. It is hoped that the new format of having a loose leaf system will also facilitate the process after the reprint comes into force of replacing obsolete laws,

that is something that remains to be attended to but that is possible. We will not quite be in the same situation as if we were doing a bound reprint where you are stuck with the reprint or even, indeed, a bound reprint to the extent of being stapled, so it should be easier to update laws in that way. I do have to refer to one other matter, I think the Honourable and Learned Chief Minister did refer to it in the Second Reading debate and I am not sure whether I heard the Honourable and Learned Leader of the Opposition correctly, but the estimated cost of the reprint would be rather more than the amount which was mentioned.

HON CHIEF MINISTER:

I would just like to say that I fully support the view of the Leader of the Opposition about the revision. There are two classes, I think, which I am sure the Commissioner should look at. One are those which are not likely to be controversial but which are outdated because they have not been revised, such as the Merchant Shipping Ordinance which may have some, but in some sections the Merchant Shipping Act applies by reference. There are others which, of course, would require considerable amount of discussion before we know what we want. For example, the Land legislation is a very complicated one, but as Ordinances which are based on old Acts of Parliament and the changes that have taken place in England and Gibraltar are more or less the same, should be revised. I entirely agree with the Honourable the Leader of the Opposition and I think to the extent that it is possible this will be done.

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

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

THE PUBLIC HEALTH (AMENDMENT) (NO.4) BILL, 1981

Clause 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 (1981-82) (NO.3) BILL, 1981

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

Schedule

Consolidated Fund. Schedule of Supplementary Estimates No.3 of 1981/82.

Item 1. Head 2 - Customs was agreed to.

Item 2 Head 5 - Fire Service.

HON G T RESTANO:

Mr Chairman, can we have an explanation for the regular overtime for Fire Control Operators, the unscheduled overtime for those two items?

HON DR R G VALARINO:

(i) which is the regular overtime for the Fire Control Operators which is £12,100, was as a result of oversight and in fact no provision was included in the estimates for the overtime of Control Room Operators. Arrangements have been made to avoid a recurrence in the future. (ii) which is unscheduled overtime required for operational reasons, covers three subjects. The first one was that during the year several unexpected major breakdowns occurred in the fire fighting appliances as a result of which it was necessary for the MT staff to work overtime. Although provision for acting appointments was made in the estimates an officer who had previously been rejected for a course was later accepted and the consequent 13 weeks' acting appointment by another officer was not covered and thirdly as a result of the retirement of two officers, a recruit course which entailed four men had to be held to ensure that normal duties were not covered by on-call or overtime. As the House is aware, the minimal operational level of the duty watch is 30 men.

HON G T RESTANO:

£12,100, Mr Chairman, seems to be rather a large oversight. How did such a large oversight occur?

HON DR R G VALARINO:

With due respect, Mr Restano, the only oversight is (i) £12,100.

HON G T RESTANO:

That is precisely what I have said.

HON DR R G VALARINO:

As I have said before, arrangements have been made to avoid a recurrence in the future.

HON G T RESTANO:

Was this oversight on account of the accounting system which wasn't working properly, how did this come about?

HON DR R G VALARINO:

Mr Chairman, unfortunately, it was missed when the estimates were prepared.

Item 2, Head 5 - Fire Service was agreed to.

Item 3, Head 7 - House of Assembly was agreed to.

Item 4, Head 10 - Judicial (3) Magistrates and Coroner's Courts was agreed to.

Item 5, Head 13 - Law Officers was agreed to.

Item 6, Head 14 - Medical and Public Health was agreed to.

Item 7, Head 17 Post Office Savings Bank and Philatelic Bureau (1) Post Office and Savings Bank was agreed to.

Item 8, Head 19 - Public Works

HON W T SCOTT:

Mr Chairman, I have always been under the impression that a new project in a Development Aid Programme or in the Improvement and Development Fund, particularly if the help of consultants is solicited, normally comes under the Improvement and Development Fund. An example is the Girl's Comprehensive School where the consultancy fees there by the architects, the quantity surveyors and engineers come under the Improvement and Development Fund. Can I in the first instance ask why this consultancy fee of £15,000 appears in the Consolidated Fund and not in the Improvement and Development Fund?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, the reason is that this is work which should have been done by departmental structural engineers if we had sufficient, but we haven't, and therefore it is a right charge to go on the recurrent budget rather than on the Improvement and Development Fund. If it were a project like the school which was going out and we were bringing in consultants from the very beginning on the actual design etc., it would become part of the project and go in, it is a slightly technical point. But these are in lieu of staff that should be employed by PWD. You wouldn't expect to employ in PWD an expert in school architecture or building of schools.

HON W T SCOTT:

Is there any indication, Mr Speaker, that the Public Works Department will continue to find itself because of the workload that might be expected from it in structural engineering in the future, that this is likely to occur again?

HON M K FEATHERSTONE:

Part of the reason why this one has occurred is that we want to get Engineer House project off the ground as quickly as possible. If we could set it back six months then, perhaps, our own structural engineer could have done it. In the short term sometimes it is necessary, under normal circumstances it isn't.

HON W T SCOTT:

Mr Chairman, I was really looking to a situation where if this should continue, whether perhaps another structural engineer should not have been employed by the PWD.

HON M K FEATHERSTONE:

If it were to continue then I would possibly be coming to Government for another member of the staff.

Item 8, Head 19 - Public Works was agreed to.

Item 9, Head 20 - Public Works Annually Recurrent.

HON P J ISOLA:

We have voted £500,000 this year and we are now being asked for another £190,000. Am I right in assuming that the total cost of imported water is now likely to be £690,000, is that the position?

HON CHIEF MINISTER:

Overall, yes.

HON P J ISOLA:

Overall it is expected to be that?

HON CHIEF MINISTER:

That is right.

Item 9, Head 20 - Public Works Annually Recurrent was agreed to.

Item 10, Head 22 - Secretariat.

HON P J ISOLA:

Could I just ask what is controlled overtime?

HON CHIEF MINISTER:

Sir, I think I can say something about this. The point is that there is little overtime except for one or two sections which require work continuously. There is a ban virtually on all overtime but the recent re-organisation of the whole structure has shown that there has been considerable backlog of work and the re-arrangement of the staff are such that they will be able to produce work but the arrears of work are not going to catch up unless overtime is worked. It is controlled in the sense that it is to do specific work over a very limited period.

Item 10, Head 22 - Secretariat was agreed to.

Item 11, Head 26 - Treasury was agreed to.

Schedule of Supplementary Estimates Consolidated Fund (No.3 of 1981/82) was agreed to.

Improvement and Development Fund. Schedule of Supplementary Estimates No.3 of 1981/82.

Item 1, Head 101 - Housing was agreed to.

Item 2, Head 103 - Tourist Development.

HON W T SCOTT:

Mr Chairman, the remarks set against the Airport extension. That presumably means that we can expect a completion earlier than that originally envisaged and if so, can we have the new target date, please?

HON M K FEATHERSTONE:

Well, Sir, we had hoped that we would be finished by some time in June next year. I am not sure whether they will improve too greatly on that. The thing is that some of the work can go faster, the steel work etc., the finalising may take longer. I would hope, perhaps, we would come forward by one or two months.

Item 2, Head 103 - Tourist Development was agreed to.

Item 3, Head 105 - General Services.

HON W T SCOTT:

Mr Chairman, is this salt water pump in Gibraltar? Is the pump here?

HON M K FEATHERSTONE:

It is due to arrive in January.

HON W T SCOTT:

The second sentence in the remarks column says: "The pump will accelerate the watering of the grounds and allow greater use of the Stadium". Presumably there I understand that if, for example, in the weekend at hockey where I think at the moment it is only three allocations that are given per day, are we to assume that these will be increased?

HON H J ZAKMITT:

Sir, the reason is not just for weekends. It is that the salt water pressure at the Stadium is very low especially during weekdays at particular periods and it takes too long to water all the area of the nortex and therefore the school-children in particular suffer the consequences of not being able to use the grounds. It is hoped that with the booster pump which we hope to instal, the time factor of watering the Stadium will be reduced greatly and therefore allow more playing facility to education primarily but, of course, it will obviously alleviate the allocations at weekends and the like.

HON P J ISOLA:

Has this anything to do with the smell there is around that drain in that particular part of the Stadium. It always smells down there.

HON H J ZAKMITT:

No, there is a main sewer pump in that area.

HON P J ISOLA:

Well, every Saturday I walk past and nine Saturdays out of ten there is an awful smell in that area.

HON H J ZAKMITT:

We will try and encourage the Honourable Member to run round the Stadium, probably if he runs he won't smell it so much.

Item 3, Head 105 - General Services was agreed to.

HON M K FEATHERSTONE:

Sir, I beg to move that a new item be added as follows: "Head 106 - Potable Water £60,000". This is for reclamation works and diversion of existing pipework for the new distiller. The basic idea of this, Sir, is that we intend to put a new distiller at the Viaduct area but to do this we have to reclaim a certain amount of land and at the same time the pipework for the VTE distiller which at the moment discharges

into where this land is going to be reclaimed, will have to be moved across the actual road and discharged on the other side of the road. The pipework will not be futile because it will also be available for the new distiller when it is actually erected so we kill two birds with one stone, Sir.

HON J BOSSANO:

Wasn't there a Government plan to make use of waste heat from the new generating station for this desalination? Is this part of it? Is this in fact connected with the use of waste heat from the new generating station which the Government, I think, indicated at one stage would form part of their plans for a new distiller?

HON M K FEATHERSTONE:

Yes, Sir, the waste heat from the generating station will be used in this new distiller.

Mr Speaker then put the question in the terms of the Honourable M K Featherstone's amendment which was resolved in the affirmative and the new item was accordingly agreed to.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move that the following item be inserted in Part II of the Schedule: "Head 106 Potable Water - £60,000," that the sum total be amended from £193,821 to £253,821.

Mr Speaker put the question in the terms of the Honourable Financial and Development Secretary's amendment which was resolved in the affirmative and the Schedule, as amended, was agreed to and stood part of the Bill.

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

Clause 3.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I beg to move an amendment in the penultimate and last line in Clause 3, that the words "one hundred and ninety-three thousand eight hundred and twenty-one pounds" be deleted and that the words "two hundred and fifty-three thousand eight hundred and twenty-one pounds" be substituted.

Mr Speaker put the question in the terms of the Honourable Financial and Development Secretary's amendment which was resolved in the affirmative and Clause 3, as amended was agreed to and stood part of the Bill.

Clause 4.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move that in Clause 4(2) in the second and third line thereof, the words "one hundred and ninety three thousand eight hundred and twenty one pounds" be deleted and the words "two hundred and fifty three thousand eight hundred and twenty one pounds" be substituted therefor.

Mr Speaker then put the question in the terms of the Honourable the Financial and Development Secretary's amendment which was resolved in the affirmative and Clause 4, as amended, was 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 House of Assembly (Eligibility of Public Officers) Bill, 1981; the Revised Edition of the Laws Bill, 1981; the Public Health (Amendment) (No.4) Bill, 1981, and the Supplementary Appropriation (1981/82) (No.3) Bill, 1981, have been considered in Committee and agreed to, in the case of the Revised Edition of the Laws Bill, 1981, and the Supplementary Appropriation (1981/82) (No.3) Bill 1981, with amendments, and in the other cases without amendments, and I now move that they be read a third time and passed.

Mr Speaker put the question and on a vote being taken on the House of Assembly (Eligibility of Public Officers) Bill, 1981; the Revised Edition of the Laws Bill, 1981, and the Supplementary Appropriation (1981/82) (No.3) Bill, 1981, the question was resolved in the affirmative.

On a vote being taken on the Public Health (Amendment) (No.4) Bill, 1981, the following Honourable Members voted in favour:

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

The following Honourable Members voted against:

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

The following Honourable Members were absent from the Chamber:

The Hon I Abecasis  
The Hon Major F J Dellipiani  
The Hon A J Haynes

The Bills were read a third time and passed.

The House recessed at 9.05 p.m.

FRIDAY THE 18TH DECEMBER, 1981

The House resumed at 10.40 a.m.

PRIVATE MEMBERS' MOTIONS

HON J BOSSANO:

Mr Speaker, I beg to move that: "This House condemns the proposed closure of Her Majesty's Naval Dockyard in 1983 and fully endorses the decision by Dockyard employees and the Trade Union movement to fight the closure". Mr Speaker, the motion that I bring to the House has got a clear and specific purpose. It does not seek to analyse the consequences of the decision taken by the British Government or the motives behind that decision, although I shall be making slight reference to that in the context of asking for the support of the House, because I think, that that is the sort of phrasiology that the situation requires. It condemns the closure because that is the reaction of the people of Gibraltar to the news and that is the reaction of the people who are under threat of loss of jobs, having served faithfully the Ministry of Defence in Gibraltar whenever they have been called upon to do so. I don't think that Gibraltar can gain anything any more by attempting to water down the strength of feeling that it has on this issue as it has done on other occasions, with the Foreign Affairs Committee Report, and other motions that I have brought to this House where I have been told that although everybody agreed with the sentiments I was expressing it should be reflected in motions which in my humble estimation at the end of the day, except for the first two words in the motion, have borne no resemblance to what I was moving initially. Therefore, I would call on the House to join me in passing the motion as it stands and in endorsing the position of Trade Union members inside the Dockyard, outside the Dockyard and in the United Kingdom, to fight the closure, that is, to get the decision to close reversed. I am not asking at this stage, anyway, Members of the House to come out on strike in solidarity with the workers outside. That may have to come at a later stage in this saga, Mr Speaker. At this stage, all I am asking them to do is to identify themselves with the feeling of the people of Gibraltar that they represent, that I represent, that we all represent. I think we are privileged in being

Members of the House of Assembly, not because we have a status or a social standing that puts us above the rest, but because we have a responsibility to reflect the demands of the people of Gibraltar in the terms that those demands are felt by the people themselves. The Gibraltar Trades Council has got seven and a half thousand members in its unions and that is virtually every household in Gibraltar. The Gibraltar Trades Council does not speak on political issues but it is speaking on an industrial issue which goes to the very root of Gibraltar's survival and we in the House of Assembly cannot stand on one side and fail to identify ourselves with that struggle. The Dockyard employees themselves, and it is a matter that I wish to make clear, the Dockyard employees themselves are in a situation of dispute with their own employer, the same as any other group of employees would be in that sort of situation under the threat of redundancy and they are entitled in that sort of situation to use the means at their disposal as trade unionists, the freedom that they have under the Constitution of Gibraltar, to protect their rights as workers but, of course, the reason why this particular struggle has got the support of the whole Trade Union movement of Gibraltar and the support of the Trade Union movement of the United Kingdom is because everybody appreciates that the numbers of people involved, the numbers of people at risk, the importance of the Naval Dockyard in the economy of Gibraltar, which stems from the fact that it is a defence economy, means that the people at risk are not just those directly under threat of unemployment, that the repercussions of the loss of their purchasing power in the economy of Gibraltar is such that there is no single household, no single person that can honestly say that he will not be affected by this issue. The Unions have made clear, when the announcement was made, that as far as they are concerned when one talks about a viable alternative, in Trade Union Terms, the only alternative that is viable is one that protects the standard of living of the people at present employed in the Naval Dockyard. One needs to make a fine distinction there because when one is talking about viability in the context of the proposition that the Naval Dockyard should be replaced by a commercial Dockyard, one has got to distinguish between a commercial operation that is viable in its own right, that it is an operation that will make a profit for the operator, but at the expense of a drop in the standard of living of the people who are employed in the Dockyard today and in the rest of the public sector and that is viable from the point of view of the operator but it is not viable from the point of view of the working class of Gibraltar and from the point of view of the economy of Gibraltar. The reality, Mr Speaker, is that we have got a Defence economy, not because we have chosen to have a Defence economy in Gibraltar but because it has suited successive British Governments because it has been in the interest of Britain and it has been in the interest of Western Europe and what we cannot have is the security

and the standard of living of our people, a standard of living that was achieved after a four-year struggle by the Trade Union movement in Gibraltar, taken away from us at a stroke of a pen by a policy decision of a Government which we have not elected. Gibraltar is a British Colony and we are suffering the consequences of the policies of the Conservative Government in the United Kingdom but we had no part in putting that Government into power and that is an important distinction because if people in Gibraltar find that the policies of the existing Government are unacceptable, at any point in time, they have the opportunity when the time comes to show their discontent by replacing the Government. The British Government has got a responsibility for Gibraltar as a Colony and they cannot shirk that responsibility and retain in Gibraltar the overruling power of a colonial administration which they still have. They cannot state, as the Deputy Governor said in the speech to the apprentices, that nobody owes Gibraltar a living any more than Korea, Malta or Singapore when Korea, Malta and Singapore are independent nations who are free to do what they like. The responsibility, to my mind, lies fairly and squarely with the British Government and it must be made clear to the British Government that even if the Gibraltar Government is constrained by the fact that it is in Government in what it can do or cannot do, the Trade Union movement is not suffering from the same constraint and the Trade Union movement will not co-operate in something that does not produce or continue to produce what we have obtained up till now. Mr Speaker, I have no doubt in my own mind that the way the matter has been presented to the people of Gibraltar since the White Paper was published, was an attempt to slip the decision through to introduce the closure of the Dockyard with as little come-back as possible, and that therefore it has been paraphrased, it has been conditioned, it has been explained away, we have been told that this is a great challenge, that this is a great opportunity, that this can open new vistas and new panoramas. Yes, they can, they can open vistas for us of massive unemployment which we have never had in Gibraltar. They can open vistas for us of a drop in the standard of living like we have never had before. It is not good enough for the British Government to tell us in Gibraltar that they have got serious economic problems in the United Kingdom and that consequently we must accept a drop in our standard of living and we must accept the imposition of cuts in Gibraltar. First of all, as far as I am concerned, Mr Speaker, the problems that are being suffered by the British economy and by working people in the United Kingdom are of the making of the present Government. They are not accidents. Secondly, Mr Speaker, having achieved parity with the United Kingdom, having placed the people of Gibraltar on a par with the United Kingdom, we are now in a situation of taking the good and the bad, we are now in a situation of in fact having cuts in our standards of living as a natural consequence of parity. When the pay review gave people an 18% increase, with a 12% inflation rate, their standard of living

went up by 6% and when the pay review gave them 7% with a 12% inflation their standard of living went down by 5%. There is no way that the British Government can tell us that we are not accepting the same level of progress in our standard of living or reduction in our standard of living as they are imposing in the United Kingdom because that is a natural consequence of the parity arrangement. But if Gibraltar is being asked to stand on its feet then there is no reason why we should accept the limitations on the standard of living imposed in the United Kingdom by the United Kingdom Government but nor can we be expected to try and make Gibraltar self-sufficient on the bits and pieces of the land of Gibraltar that the FOD at any particular time in its wisdom decides it no longer requires. The Trade Union fight is a clearcut fight, it is a fight for jobs, it is a fight in defence of the standard of living. I am talking in this House as a politician and spelling out what I consider to be the magnitude and the depth of the political alternatives. I do not accept that it is a question of either a commercial Dockyard or a defence Dockyard, whether we are talking about a defence economy or another type of economy, and if we are talking about that alteration in the way we do things in Gibraltar that is not something that can be done overnight and it cannot be done by somebody deciding in the Ministry of Defence: "Well, I have got to produce a cut of so many million pounds, I will make a million out of closing the Gibraltar Airport and I will make £100,000 out of closing the Chart Depot, and so on". It cannot be done like that. The Trade Union movement is absolutely clear in what it has to do, and it will do it. The Gibraltar House of Assembly, on this issue, cannot stand on one side. I am glad that it has now been made absolutely clear, no doubt the British Government would wish it were otherwise, because I think it is convenient, very convenient for the British Government, to be able to pass the buck on to Gibraltar, to pass the buck to the Gibraltar Government when they come under attack in the United Kingdom for the decisions they are taking about Gibraltar, and no doubt it is a great disappointment to them that it has now been made absolutely clear that the Gibraltar Government is not asking for the commercialisation of the Dockyard, is not proposing that the Dockyard should be commercialised, all that it is doing is looking at an alternative that it does not want in case it has no choice but to accept it. Therefore, the British Government has got absolutely no right to try and wriggle out of their responsibility in the House of Commons when they are faced by questions by saying: "Well, you know, we are in full consultation with the Gibraltar Government and the Gibraltar Government is quite happy about the situation". The Gibraltar Government is not happy, the House of Assembly is not happy and the people of Gibraltar are not happy and that must be made absolutely clear to people in the United Kingdom and to the British Government itself. I must say, Mr Speaker, that I cannot continue to see the British Government and its

intentions on Gibraltar in the same light as the Chief Minister does or as most of us have seen it in the past. Not, to be quite honest with this House, that I ever had much trust in the present British Government. Notwithstanding that, precisely because within Conservative benches Gibraltar enjoys a lot of support, I thought that in some respects it would be more difficult to convince a labour administration on some occasions of the need to have a continuing commitment to Gibraltar than it would a Conservative administration. I have now come to the stage, Mr Speaker, where I tend to scrutinise everything that is said and look at every fullstop and every comma. And for me, the assurance that the Chief Minister mentioned that the British Government would be sympathetic and fair to Gibraltar, has to be qualified by what the British Government understands by being sympathetic and fair. If all that we can expect is that they are sympathetic and fair to the Trade Union movement or to working people in Gibraltar as they are being at present to people in Portsmouth and in Chatham and in the rest of the United Kingdom, then I am afraid that does not qualify for the use of those adjectives in my estimation and I am sure in the estimation of the people who today are outside to lobby this House of Assembly for support on what is really the crunch for Gibraltar. I think that we have had, on many occasions, ideas floated suggesting that the British Government was seeking a disengagement from the commitment that it has to Gibraltar and its people. The clearest indication that there might be some truth in such a view has been the way this thing has been handled since the White Paper and therefore I don't think that we can continue with a policy of appeasement, where we qualify everything we have to say, we water down the words we use in order not to give offence to the extent that they cease to have any meaning. I think the time has come for plain speaking in Gibraltar, Mr Speaker, and let nobody mistake what I am saying. Let nobody try and twist that into a situation of appealing to the unquestioned loyalty that the people of Gibraltar have shown to the United Kingdom because that is not what we are talking about. The people of Gibraltar are linked to the United Kingdom by a historical and cultural heritage which spans the whole of its society and it spans one of the main pillars of Gibraltarian society today which is a solid and well organised Trade Union movement which can act jointly in defence of the interests of working people and of the whole of Gibraltar and which has got deep rooted links with the United Kingdom Trade Union movement and can call on help there. So if the Trade Union movement is talking about fighting the closure, we are not talking about fighting the United Kingdom because we have got friends in the Trade Union movement in the United Kingdom who will be joining us in that fight and nobody can accuse the IPCS, the CPSA, the SCPS and the Transport and General Workers Union Head Offices of conducting an anti-British campaign. Therefore, Mr Speaker, I commend the motion to the House and I ask Members of the

House at this important and crucial juncture in Gibraltar's history, to identify themselves fully with the struggle of the people of Gibraltar for what is effectively, in my judgement, their survival.

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

HON CHIEF MINISTER:

Mr Speaker, it is my duty as Leader of the House to reply in the first place to the Honourable Member and to say that I think that having regard to the events yesterday and the report I made to the House on my meeting in London, that there is very little that he has said with which I can quarrel. The passion that he has described I can well understand, and when the time comes one can also be able to harness passion such as that. I am afraid that the reality of things when you talk to British Ministers, you can talk strongly, you can talk firmly, you can tell them what you propose to do, but, really, the Honourable Member well knows passions then do not play a great part. In fact, it could mar the effect of the motives and the reasons that are given in a given situation. I am quite satisfied and I am quite happy in my own mind that in my own way I have represented the views of the people of Gibraltar, and in particular of the Trade Union movement, to the Secretary of State, to the Lord Privy Seal, to the Minister for Defence, in the way that Mr Bossano would have expressed them insofar as force is concerned, perhaps the language might have been slightly different but there it is a matter of approach and that should not be a subject to divide us. It is a fact that the closing of the Dockyard is a major disaster for Gibraltar if it is carried out as intended by 1983. It will be a very big factor in any case but, certainly, if the present proposals were to be carried out that would be a great detriment to the prosperity of Gibraltar. I think it would be in accordance with Parliamentary practice that those who move motions should be here to answer them and to listen to what is said and not just give an idea and then go out and address the crowd. I think it would be better in terms of Parliamentary practice if we were all here to discuss what we are doing and not play to the gallery. The principle on which I am standing now is, the same, whether Mr Bossano listens to it or not, because Mr Bossano, after all, is here representing his political party. He happens to be a Trade Union leader, and naturally he feels that very strongly, but he is here as one of fifteen Members who have each one fifteenth of the responsibility for the welfare of the people of Gibraltar and that in no way minimises the importance of the matter that we are dealing with. Mr Bossano has said that in the past, motions have been watered down and motions have not carried the language that he has brought. Well, maybe that is true, maybe as he is perfectly right to produce a motion on his own, without prior consultation, I am sure that he knows that the other Members of the

House are equally perfectly right to have a different approach to the matter because there are other people here who have views on matters of this nature. As I was saying before, the matters were put straight to the Secretary of State and before I did that I had a request from the Assistant General Secretary of the Transport and General Workers Union when he visited Gibraltar, Mr Alec Kitson, to join him in the political struggle to try and keep the Dockyard open. I say this because I readily agreed, I made a point and the Honourable Member was present in another capacity, that of course we were prepared to support him politically but that there was no question of our taking part as a Government in supporting him on any industrial action and his answer was: "Who is talking about industrial action?". That was what he said and that I said was very satisfactory and on that basis I saw him in London before I saw the Secretary of State on the Sunday and I saw him after I saw the Secretary of State on the Monday. We were going to meet early on Tuesday to wind up but unfortunately he was taken up by something which prevented him from attending a meeting we had arranged at 9.30 before I flew back to Gibraltar. It is on that basis that we fully support the Trade Union movement. There are two aspects that the Gibraltar Government has in this respect. One is looking at its responsibilities as a Government as to what it has to do in certain circumstances and I am glad that the Honourable Member now understands the attitude of the people of Gibraltar. I am afraid, Mr Speaker, that with the noise going on outside, this is going to be very difficult.

MR SPEAKER:

I have been enquiring and I understand that what is happening now is that the crowd is being asked to disperse. Perhaps we will have a short recess.

The House recessed at 11.10 a.m.

The House resumed at 11.50 a.m.

HON CHIEF MINISTER:

Mr Speaker, when I asked at the same time as you yourself thought we ought to recess, I was expressing my entire agreement with the sentiments expressed in this House by Mr Bossano on this question of the closure of the Dockyard and in the course of his intervention, he was talking about the fact that we did not elect the British Government, we could not remove the British Government. That is perfectly true and it is true that in England even the great Trade Union movement have not, or part of it have elected the British Government but they find now that they cannot remove the British Government. When we were elected to this House, we were elected to carry out our duties without

intimidation or without any attempt at colouring our views so that we could express our views in such a manner without any attempt or apparent attempt at intimidation. Apart from the very great principle that we are discussing about the future of the people of Gibraltar, I think that we must not forget the principles of democracy in Gibraltar and I hope that this is not a pattern of things to happen in the way in which the conduct of the House is going to be carried out by having crowds outside being addressed at the same time as we are addressing the House in matters that concern Gibraltar.

MR SPEAKER:

I have had a word with Mr Bossano, I had a word with you and with Mr Isola. I know what you are going to refer to and in order to, perhaps, put the matter in its right perspective and to give it its importance, I shall read what Erskine May says on the matter.

HON CHIEF MINISTER:

I would like to pursue that after, if I may.

MR SPEAKER:

Most certainly. Gentlemen, under the heading "Breaches of Privilege and Contempt" and under the general heading "Contempt in General", Erskine May says as follows: "It would be vain to attempt an enumeration of every act which might be construed into a contempt, the power to punish for contempt being in its nature discretionary. Certain principles may, however, be collected from the Journals which will serve as general declarations of the law of Parliament. It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence".

HON CHIEF MINISTER:

That was the matter that I was going to quote from my older edition of Erskine May but I think the text is exactly the same.

MR SPEAKER:

Yes, it is.

HON CHIEF MINISTER:

I think we are talking about rights of people. We are talking about the rights of the Gibraltarian to fight against the closure of the Dockyard, we must also talk about the

rights of the people of Gibraltar to their elected representatives to be able to address the House without intimidation. This is what I think we must continue to do and resist any other attempt. It may not have been meant to be intimidation, it may be that the pattern in England, where huge numbers of people are allowed to go into the Palace of Westminster and lobby Members while the House is quietly going on with its business, cannot be reproduced in Gibraltar because the physical situation of this building doesn't lend itself but, certainly, it is impossible to carry out our duties to the electorate and the House is made up of fifteen elected Members, one of whom is Mr Bossano, but there are another fourteen whose right to speak freely and without intimidation are as sacrosanct as those of Mr Bossano to defend the Trade Union movement. I hope that this will be seen in the spirit in which it is said, not in any hostility towards either the subject that we are discussing which is of the utmost importance, nor of the right of the Trade Union movement to fight their fight in the proper way. I did, as a matter of courtesy, indicate to the Honourable Member as he came in what my proposal was and I want to make it quite clear that nothing that the Honourable Member has said addressing a crowd trying to minimise that is going to stop me from carrying out my duties in the best way I think. It will be a very sad day if every time we came here we had to be waiting for a crowd there to intimidate the way in which we have to carry out our business. That will be the end of Gibraltar.

HON P J ISOLA:

If the Honourable the Chief Minister will give way just one second for me. As we are talking about a subject that is very important, Mr Speaker, I would like to intervene at this stage to say that on this side of the House we support the sentiments that have been expressed by the Honourable and Learned Chief Minister on the right of the elected representatives of the people of Gibraltar to be able to meet and discuss matters of major importance to everybody in Gibraltar without any attempts at influencing us, intimidating us, or in any way trying to force us into coming to conclusions with which, perhaps, our consciences do not agree or agree, it would be a very sad day for Gibraltar if the general public of Gibraltar were to feel that we have voted in favour of Mr Bossano's motion because he has brought his battalions in to force us to vote.

At this stage the proceedings were interrupted as a result of an intervention from the Press Bench by Mr Michael Feetham.

MR SPEAKER:

Order, order. Constable, will you see that Mr Feetham is taken out of the House.

HON P J ISOLA:

It would be a very sad day for Gibraltar if that occurred, Mr Speaker, and I do hope that the Honourable Mr Bossano would take an early opportunity of telling the House that the people who came up and demonstrated were there merely to express their feelings on the subject, express how they feel on the subject, and not there in any way to force this House to come to conclusions to which it may or may not agree. Thank you Mr Speaker.

HON J BOSSANO:

If I can just take up the point the Honourable Member has made. In fact, I don't know whether he overheard what I had to say outside but I did say outside that no doubt someone would wish to misconstrue their presence there as an attempt to intimidate Members of the House. I was talking in Spanish downstairs, of course, so that people can understand what it is all about because a great many people are never present in the House of Assembly, never understand what it is all about, don't understand all the business of rules and regulations and procedures, but I think people understood quite clearly what they were there for and, as far I am concerned, what the people were doing downstairs was absolutely no different from what I did when I was in London with the Honourable Leader of the Opposition and the Chief Minister in the House of Commons on the Nationality Bill and I joined a lobby of five thousand workers from Chatham and Portsmouth who were doing precisely the same thing to try and influence a decision of the House of Commons and they are perfectly entitled, apparently, under the UK system to try and influence the decisions of the House. This is what people are trying to do here, they are trying to influence the decision of the House on a motion that specifically asks for identification with the Trade Union movement and that is why the Trade Union movement is lobbying the House of Assembly. If the House was to say additionally anything else, that is the privilege of the House to do so but what the motion seeks is clearly a matter of concern to the Trade Union movement because it makes specific mention of them. That is why they are doing the lobbying.

HON CHIEF MINISTER:

Mr Speaker, I anticipated that because I was there and he was there. I said that the Palace of Westminster is a huge place and each Member of Parliament can take four, five or six hundred lobbyists into a corner and listen to what they have to say, others into other inside rooms, and the House itself is carrying on its business and the influence is to the individual Members on arguments and then the business of the House carries on and is not molested or interfered with by loudspeakers or by anything else that will in any way affect

the way in which they carry out their work. The attempt at persuading people, which is what lobbying is all about, is one thing and unfortunately what we have had this morning is another. That in no way affects the substance of the matter which is the closing of the Dockyard but it is, I hope, something that if the idea of lobbying because it is done in England in that way, is intended to be carried on in the future in this way in matters of importance, I will then ask the Trade Union movement generally to consider whether they can expect a fair and proper hearing, they can expect their elected representatives, because fifteen people must have been elected by a considerable number of Trade Unionists and not just Mr Bossano alone, whether we can carry out the functions that we were elected to carry out without intimidation in a situation such as has happened today. It is not a happy day for democracy in Gibraltar but it is perhaps one which we can wear as an example of what ought not to happen in the future in this matter. Today is a matter on which we are virtually agreed. Perhaps we are not agreed on the wording, perhaps other people don't understand the wording. That is a different matter. But that is one thing and attempting to pressurise and, in fact, if ever there was a case in which there was no need for a lobby it was in this case because we spent most of yesterday morning debating the matter and I answered questions in a proper way and there were supplementaries in a proper way from the Honourable Mr Bossano and the business of the House was done in the usual way. Mr Speaker, as I was saying earlier this morning, when I met Mr Kitson he asked for the support of the Gibraltar Government in an attempt at political action in the United Kingdom by all the trade unions. I readily agreed and as I was saying and I think it ought to be mentioned again I said that, of course, we could not be party to any action taken by the Union of an industrial nature to which he replied: "Who is talking about industrial action?". The Honourable Member assented that that had happened at the meeting with Mr Kitson. It is on that understanding that we are supporting the all-party approach that the trade union movement in the United Kingdom is doing and it is on that understanding that I saw Mr Kitson and Mr Mick Martin on Sunday and on Monday evening with the shadow Minister for Defence, Mr John Silkin and the Chairman of the Labour Party, Dame Judith Hart. I think that ought to be made very clear because we must not fall into the trap precisely of doing something that those who do not like us, and we have a lot of friends in England but let it be said also that there are some who are not our friends as we saw on Spanish television last night, the Chairman of the Foreign Affairs Committee of the House of Commons. If he has said what he said on Spanish television in Gibraltar he would have been hounded better than what has happened here this morning. He said that we were Spanish before the restrictions started. Who the hell is Anthony Kershaw to say that? If we are to keep together in difficult times we have got to soften

corners of our differences rather than accentuate them to get cut in the process and it is in that spirit, having forgotten what has happened now, that I propose to continue in my intervention. Mr Speaker, the Honourable Member has said that it is now clear that the Gibraltar Government has not suggested commercialisation of the Dockyard. Of course, it hasn't, it never did and it came out clearly in answers yesterday that the idea had come for the consultancy that had been suggested by the CDA after the publication of the White Paper to consider alternative means. I should like to say that when in 1977, as I said yesterday, there was a Labour Government in office and there was a decision to close the Dockyard on economic grounds, not on defence grounds but on economic grounds and I did my best to stop it, equally a study was made by the British Government of alternative means because both the Labour Government and the Conservative Government state that they were committed to the policy of "sustain and support". I say "state" because that is what they say. I believe that that is the case and I would be failing in my duty if I did not repeat it today even in the strained circumstances of the events of this morning that my impression of my visit to Lord Carrington, I may be wrong, but my natural impression of his reaction is that he proposes to help Gibraltar to the extent that he is able to. I do not agree, and this does in no way alter the seriousness of the situation, I do not agree that what happens in the United Kingdom cannot have any reflection as to what happens in Gibraltar. What happens in the United Kingdom and what happens in the world must have an effect somehow or other in Gibraltar. We cannot be living in an ivory tower completely isolated from world pressures that do not affect us when it is affecting the rest of humanity. To say otherwise is very pleasant for those who have to hear it but that is not a fair assessment of the world today where barriers are going down certainly in communications and the effect of what happens in one part of the world has a very direct effect on what happens in others and that is something that we must bear in mind. It is true that perhaps some of the difficulties that are being suffered in England now by the British people are as a result, of the actions of the British Government but the British Government is the Government elected by the people of the United Kingdom and therefore whenever that happens and if that has any reflection here, I agree that we cannot either elect or eject Mrs Thatcher but what they do in the United Kingdom has a bearing here because what we are claiming now is what the United Kingdom should do in Gibraltar. It has a bearing, we cannot shut our eyes and say: "To hell with Mrs Thatcher, to hell with the policy of defence, we want to carry on irrespective of what happens in England or what happens in the rest of the world". If anybody in Gibraltar thinks that we can live in that way then they are living in real cuckoo-land. It may not be pleasant to tell some truths because it is not popular but one would be failing in one's duty if one

did not make these things clear and to give any wrong impression or to give an impression of the opposite is to mislead the people deliberately or unconsciously but that is to mislead the people. We must be conscious of what is happening in the rest of the world. We must fight all the way as we are entitled to fight but we cannot forget what is happening in the rest of the world and believe that we can go home and leave it all to the United Kingdom to do everything for us to maintain things that have been achieved here by struggle and not even by the United Kingdom so if it has been obtained by struggle both in the trade union movement and both in the constitutional issue it must be maintained by struggle and not by going home and sitting quietly and pretending that Mrs Thatcher will do everything for us. That is the way that we must approach this matter and that is why the Government has got a duty despite the fact that it will support the condemnation of the closure of the Dockyard, that it will say that it will fight against it, perhaps not in the same words as the Honourable Member has chosen to use in this matter, I think with the greatest respect he has misrepresented downstairs what has happened in this respect, many things have happened, many things have to be done before we come to this House and one of them was going to England and fighting the battle about which I reported yesterday. The fact that any time anybody as he has done many times can bring an amendment to a motion is something which is part of Parliamentary procedure. The people outside may not all understand that but it is most unfair to say that somebody has come out with something to change his words and to say that there was no consultation before and he had only been given a few minutes' notice. That is rather less than fair to the kind of procedure and Parliamentary practice that we have developed here over the years. In fact, he is one of the most courteous of the Members in Parliamentary procedures in the course of our proceedings and I am sure that it is not fair that he should make an innuendo that he has only been given a few minutes' notice. That is normal because other amendments can be brought in because this is a debating Chamber, this is not something that is cooked outside, this is what we are here to do - to debate, and to debate with reason and with logic and not have pre-conditions, ideas or matters already prepared in other spheres and come here to put a rubber stamp to it. I am sure that no member would be prepared to put a rubber stamp to what another member does if he does not believe honestly that that is the way it should be done. It is because we feel that the interests of Gibraltar and the interests of the Dockyard workers and the interest of our continuing to be able to have a fight that we have a better alternative in the way in which this matter should be proceeded with than the words of Mr Bossano which are not magic because they come from Mr Bossano, they are just one way of expressing a situation because we believe that if the motion is passed as it is here it could be argued outside that it was a charter to the trade union movement to fight the

lockyard closure in any way they liked and that I do not think is what either he wants or what the Members in this House want.

HON J BOSSANO:

If the Honourable Member will give way. There are two decisions involved in this motion - one decision by the British Government which we disapprove of and one decision by the Trade Union movement which we approve of. The methods, and the Chief Minister seems to have heard some of the things I said downstairs but not others, the methods that the Trade Union movement uses in that fight, as long as they are not actually breaking the law, do not require the endorsement or the approval of the House of Assembly. Every trade unionist in Gibraltar, as far as I understand it, has got the right to take industrial action in defence of his interests already without endorsement.

HON CHIEF MINISTER:

Absolutely, but if that is so then do not come for the endorsement and use it as part of your policy and there is where we differ.

HON J BOSSANO:

The Honourable Member gets very heated with me. I trust his performance with Lord Carrington is as good.

HON CHIEF MINISTER:

He did not provoke me as much as you have done but if he had done so I would have done it.

HON J BOSSANO:

Anybody would think that I was closing the Dockyard. Lord Carrington closes the Dockyard and that doesn't provoke the Chief Minister as much as I do by speaking downstairs in Spanish. That is sad, Mr Speaker.

HON CHIEF MINISTER:

It is words that provoke attitudes. It is what the Honourable Member often mentions about a rational approach to matters and I regret to say that the Honourable Member in this matter is not acting rationally.

HON J BOSSANO:

It is a matter of clarification to the House that appears not to understand what the wording of the motion is. I am moving

the motion and everybody else understand it differently or chooses to understand it differently. The House is not being asked to approve the industrial action that the Trade Union movement will or will not take, that is a matter for the Trade Union movement and when the Chief Minister said that he could not endorse that industrial action and that he would need to reword it to show that it was political action, I said there is no problem on that respect. What I am saying is the decision to fight or not to fight is the decision that the Trade Union movement had to take and has taken and how it fights is a matter that will be decided by the Trade Union movement, just like the House of Assembly or the Chief Minister could have decided either to oppose or not to oppose the decision of the British Government and if I am being asked to endorse a decision to oppose, it does not mean that I have to endorse how it is opposed by appealing or by doing anything else. The methods that the House uses or the methods the Government uses are a matter for the House or the Government to decide, but the decision that has been taken and that is what the wording says, it endorses the decision to fight the closure, either we endorse that decision or we don't but we don't try and look for things that are not there, Mr Speaker.

HON CHIEF MINISTER:

It is of course one thing for the Trade Union movement to fight. The Trade Union movement have got many ways of fighting and nothing that we will do in this House is going to inhibit them but what he cannot expect is to get a priori approval of the House to what the Trade Union movement may do. That he cannot do because then it would mean that the fourteen other Members of the House were subservient to the Trade Union movement which I am sure nobody in Gibraltar wants us to be. It is in the light of that that I propose an amendment to the motion and I have not, as the Honourable Member anticipated at the beginning when he was in a better form earlier in this meeting, that all the words after "that" would be removed and other words would be substituted. I have left the most important part, in my view, for this House, the most important part for this House of the motion I have left unaltered and that is that this House condemns the proposed closure of the Naval Dockyard in 1983. That, I am not touching in any way in my proposed amendment but I am giving notice that I propose an amendment whereby the words "and fully endorses the decision by Dockyard employees and the Trade Union movement to fight the closure" be deleted and substituted by the following which, in substance, is the same except, as he said, in more diplomatic language. We have to use diplomatic language, trade unionists may not have to use diplomatic language but the House of Assembly does and the House of Commons does because Mr Michael Foot the other day exercised his right to appeal to the National Executive Committee of his Party

to put his veto to a member who said he would manipulate Parliament and it is for that reason and that reason only that he has objected to a candidate for a constituency because he said he would try to manipulate Parliament and that is what we do not want to do and I am sure we are in very good company with Mr Foot, the Leader of the Labour Party. As I said before, substitute by the words: "Calls on the British Government to reconsider that decision and resolves to take steps, in consultation with the Trade Unions, the main representative bodies and Gibraltar's friends in Parliament, to persuade the British Government to alter that decision". Mr Speaker, that part of the motion in which other people are being brought in reflects the feelings in yesterday's debate about consultations in a wider sphere. That is what in any case I had proposed to do in the way in which we should go about it. Also, let me say that that was the procedure that was followed, there hasn't been really time, as I said yesterday the meeting in London was an interim meeting following the visit of the officials here and it was an interim meeting to make a point which produced, I think contrary to what the Honourable Member says apart from having produced £4m, it produced a different climate in which to fight this matter. On that I am quite satisfied. Whether it reaches its purpose or not is another matter. We did this in the British Nationality campaign, it was not fought with industrial action. I know this is a different situation but it was fought with reasoned and invited approach to the British Government, it was fought with the response proved right because we obtained the support of everybody and that is the feeling that I know exists in this House that was reflected yesterday and in fact, as I see, was reflected in the newspaper in which, occasionally, the name of the Honourable Member is mentioned in the pages of "The People". His name is occasionally mentioned in every column. Thank you.

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

HON P J ISOLA:

Mr Speaker, we propose to support this amendment. We support it in pursuance of the policy of my party which I have declared time and time again, and that is that with the crisis that Gibraltar is faced now, there is need for a Gibraltar view of the problem that faces us and that in the formation of that Gibraltar view we must bring in everybody that is interested in the future of a British Gibraltar as we know it and therefore it is the view of my party and I hope it is also the view of the Honourable Mover of the motion, that this must be a united stand made by the people of Gibraltar and it must be a united stand that is produced as a result of free discussion, free consultation between all the people involved in this problem. In this House, we have got the

elected members of the three political parties in Gibraltar. Outside this House, we have got the Trade Union Movement, we have got the Chamber of Commerce, we have got the women's Association, we have got all the people who are affected by decisions that any individual may make or any movement may make, and it is the view of my party, and I put this without any restraint of any kind or any constraint of any kind, that if Gibraltar is to survive the crisis that we are facing everybody must unite and everybody must unite freely and have free discussion to take the action that we consider necessary to save Gibraltar from this crisis. I am not going to be dictated to either by the Chief Minister or by the Honourable Mr Bossano and forced into following any particular course of action until I have discussed it with them, seen the probable results and made a firm decision on it. What I am saying now does not preclude the Honourable Mr Bossano advising the Trade Union movement to fight in any way that he may think so. What he cannot do is ask me to endorse what he wants to give without first discussing it with me, without discussing the pros and cons, without discussing where we go from there in any particular thing he may do. No, I won't be told by the Honourable Member what I have to do. I have been elected by the people of Gibraltar, my party has been elected, six out of eight candidates, to put forward the views of the people of Gibraltar as we understand them, we who have been elected by them. But notwithstanding that, notwithstanding that, we still think that in this state that Gibraltar is in today there is a need for all the brains of Gibraltar and all the brawn of Gibraltar, if he wants to call it that way, muscle as he calls it, to get together and work out a policy that is a Gibraltar policy because only that way, Mr Speaker, only that way, and I stress it, will Gibraltar survive - and it is a question of survival. It is not a question of suicide, it is a question of survival. I will not be a party to suicide, I will be a party to any struggle that has a reasonable prospect of ensuring that the people of Gibraltar survive as a free community with all the job opportunities and all the favourable conditions that exist today. I will fight for that but I will fight with my head, Mr Speaker. I will fight with a deep consciousness of the world around me, of what is happening. I watched that programme last night. Isn't it extraordinary, Mr Speaker, in that programme, in an hour, how the Gibraltar situation was projected in Spain. How easy it is, all the work that has been done in Gibraltar, to try and destroy it in one hour. Just bring people in who couldn't speak very good English, or very good Spanish, don't put in people who made very firm statements. I was interviewed in this House and I thought I had done rather well. They didn't even mention me because I told them the first object of the Democratic Party of British Gibraltar was to keep the people of Gibraltar and the territory British according to their wishes and that was what my party existed for. That was the end of

the interview. Then we get somebody else who they preferred to put over, and this is the reality of life, this is what we have got to fight for. The fact that we burn up something else will not get us what we want, unfortunately. If I thought it good I would be there. Mr Speaker, in this House let us think with reason and let us fight with reason, there is a time and a place for everything. I condemn the closure of the Dockyard, my party condemns it and we have said and we have put motions in this House to that effect, or rather amended the Honourable Member's motions to this effect. We have said that the British Government has a responsibility to Gibraltar, has a responsibility to maintain its economic viability and if it is to close the Dockyard and, unfortunately, that decision is for them, then they must provide a viable alternative and therefore, we oppose the closure of the Dockyard. We will fight for the British Government to reconsider its decision but we also want to know if they will say no at the end of the day, we do not want to leave the people of Gibraltar in the lurch, we do not want to leave them with no alternative and suddenly find ourselves with seven hundred, or eight hundred or nine hundred unemployed and we can give them no alternative because we have not sat down and thought of that possibility. I will not be a party to that, Mr Speaker. Gibraltar has to survive as we know it and as we love it and I will play my part in that whatever may be said by anybody on it. The Honourable Mr Bossano said this was an important political decision, it is an important political decision and he said that the time had come for plain speaking. I agree with him entirely, the time has come for plain speaking. Plain speaking using our heads. He said that the Gibraltar Government is constrained but the Trade Union movement is not constrained and he said the Gibraltar House of Assembly cannot stand on one side. I think we are all constrained to a certain extent. We are all constrained because of the consequences that there could be for people if we make the wrong decisions because, you see, we are not all Gods. We could make the wrong decision.

HON J BOSSANO:

Or Mrs Thatcher.

HON P J ISOLA:

Well, Mrs Thatcher is not God and that is the trouble. If she was God she wouldn't have closed the Dockyard, she would have been kind and good to us but we have to be careful we don't make the wrong decision. The Chief Minister has to be very careful. I, as Leader of the Opposition, have to be careful, the Honourable Member has to be careful, the leaders of the Trade Union movement have to be careful because it is not a question of having a fight and seeing how far you can go and if you don't get away with it, that's all right another day, no, it's not a question of that. Decisions that

we make can have some dreadful consequences. I won't say what the duties of the leaders of the Trade Union movement are, I just speak for the elected leaders of Gibraltar and I include the Honourable Mr Bossano there because he is an elected leader of Gibraltar. What we have to consider is, whatever we do, what the probable results and what do we do if things are wrong. For example, let us suppose that we just say we are going to fight the closure of the Dockyard and fight it to the end, in the street, literally, and I am saying that, in the streets or whatever, what is the end result of that if it does go wrong? What could it be? Could it be that Spain walks in. Thank you very much. The place is in a complete ruin, they will sort it out. Could it be another power walks in? I don't know, I don't know. But I tell you one thing I do know. As far as I am concerned, as far as my party is concerned, we still consider very, very strongly, that the best option open to Gibraltar is still Britain and our policy will be dictated by that. I know that is not a popular thing to say now having regard to the fact that the British Government has just said it is going to close the Dockyard. I take the point that the Honourable Member said that he wasn't against the people of Britain, he was against Mrs Thatcher's Government. Well, yes, but unfortunately we didn't elect Mrs Thatcher's Government, we are not part of Britain, we don't live in Britain, we are just a Dependent Territory, like Hong Kong and all these other people, and as far as we are concerned, as far as Gibraltar is concerned, it must, as much as possible, keep a reasonable relationship with whatever British Government is in power because you say you are a friend of Britain, or you say you would do nothing against the people of Britain, well, they have elected that Government, for better or for worse, and in 1984 perhaps they will elect the same one or another one and then we have to keep friendly with that Government or try and maintain friendliness. What I believe we have to do in Gibraltar is try and persuade that Government, because we can't fight them, I don't think we have got any frigates here, we have got a Gibraltar Regiment and H.M.S. Caple. What can we do? What can Gibraltar do to change Mrs Thatcher's mind, a woman who has fought against half a million in one industry and two million in another and beaten them? What can seven thousand or eight thousand, or thirteen thousand electors reasonably hope to gain taking into account the situation that occurs in England and it is my belief, and I may be wrong, and in taking that decision and in following that policy I may be wrong and I freely admit it the same as the Honourable Member may be wrong, my belief is that we will only succeed with a united effort and everybody playing his part, there is probably a need for pushing of the kind that the Honourable Member is advocating, yes, there is a need and then others perhaps can do a better job somewhere else. But the persuasion of the British Government is going to come in the last resort, if the Dockyard is not to be

closed, by a parliamentary majority against the British Government. We got it in the British Nationality Bill. This one, I think frankly, is a very different kettle of fish, a very different kettle of fish but we still require enough people in Parliament from all parties and we must be careful it is all parties, we must not fall into the trap of saying it is just Labour against Conservative because unfortunately for us the Conservatives have a majority so you won't win if it is just Labour against Conservative. We have to bring in our Conservative friends as well and we have friends on all sides of the House. Also SDP, we are having an increasing number of them, too. We must get them all together and at least we must ensure that our friends in Parliament and that is the last word, literally the last word, that our friends in power exert enough pressure on the British Government to reconsider the closure of the Dockyard and if that fails at least to make them give us a viable, economic alternative that ensures the same living standards for all our people in Gibraltar including all the Dockyard employees who are the people in the front line at the moment but, obviously, there will be others. They are the people in the front line, they are the people in trouble at the moment. Please do not get anything I have said wrong. I fully share and sympathise and we all deeply sympathise with the concern of people whose jobs are in danger because until you have that, until you experience it, you don't know what is it, I agree. Others do not have that experience and therefore people in the Dockyard could say: "They are not really concerned because it is not happening to them". I understand that feeling and it is true, it is a fact that unless you are yourself personally threatened with it you tend to take a more objective view. But sometimes the people who are threatened by it may well do things that it is not in their interest and people who are not may be able to advise. I would like specially the people in the Dockyard to get the message from this House that we are concerned about the whole situation, about the position of them, primarily, as the affected party and then, of course, secondarily, and its important as well, the effects on the economy because it has obviously its effects. I saw a pamphlet before I came in which was being distributed and it is true, I think, what they say there, these are facts. We are concerned and we are here all concerned and I hope we are all fighting the same battle here and this is the message I would like the Honourable Mr Bossano to take out of this House when he goes and addresses another meeting, that we are not amending the motion because we are rejecting him, we are amending the motion because we, other elected Members of the people of Gibraltar, are fully aware of the struggle before us, are fully aware of the problems but do not necessarily agree that it can be fought in one particular way which is the one he has been describing, in fact, we are not happy about the way he is describing it because we don't see the end of

the road in his argument. We say it must be fought on a much broader plane, it must be fought primarily on a political position. We must draw the enormous fund of goodwill there is in the United Kingdom for Gibraltar in the Trade Union movement, as Mr Bossano has said, in Parliament, and, generally, in Britain. Let us not get too anti-British straightaway because we have been told they are going to close down our Dockyard. Let us not give an opportunity to those who are looking for other things for the future of Gibraltar to come in at this moment of time and try and persuade people to change their allegiances. I will not be a party to that and I hope no Honourable Member in this House will be a party to that. Let us, therefore, Mr Speaker, fight together but let us fight generally together. Let us talk with each other. Let nobody come along and say: "Now, we are going to do this and now you damn well agree to it". I say that to the Chief Minister in the same way I say that to the Honourable Mr Bossano. We haven't got power, Mr Speaker, we have got six elected members and the Chief Minister decides what is done, he has got power, the executive arm. My Honourable friend here appears to have a lot of influence in another place and he can produce action. As far as we are concerned we are just a political party in Opposition and all we can do is talk and tell people what we think and hope that we will have an influence on their thinking and on their way of action. Mr Speaker, we have said it two or three times and it may be finishing our chances in the next general election, we are saying that we will support a Gibraltar view, a united stand by everybody who has feeling and cares for Gibraltar and its future and this is what I would appeal for and that is why I am supporting the amendment of the Honourable and Learned Chief Minister and I hope the Honourable Mr Bossano will also support so that we can have a united motion on something that is very dear to the hearts of all of us and especially, of course, to the people of Gibraltar.

HON A J CANEPA:

Mr Speaker, the strength and ability to survive of the people of Gibraltar since the Spanish campaign started back in 1963, has been primarily based on our ability to close ranks in the past when faced with really crucial issues and the issue which is facing us today is, perhaps, the most crucial in our history. Today there is a greater need for unity in Gibraltar than there has ever been before. One only had to look at the crowd outside earlier this morning to see that there you had people of every political complexion in Gibraltar, supporters of the GSLP, of the AACR, of the DPBG, people of an independent frame of mind and yet they were united there in expressing their concern at the Dockyard closure. I think, Mr Speaker, that in this House also we see the strength inherent in the democratic system in the system of Government and Opposition where there is healthy debate and where if we do not agree at

least we abide by the principles of democracy. I say to those who advocate doing away with the system of Government and Opposition and introducing a Committee System or who call upon the need to have a coalition Government, and that call is being made in certain quarters recently, I say to them that they are mistaken because if we can achieve essential unity on the crucial issue of the Dockyard closure and the effect that that will have on our economy and quite apart from that we can continue to debate and disagree and quarrel, if necessary, over other minor matters, and if the Opposition can continue to keep the Government on its toes on these other matters, then that is what democracy is all about, that is what the Westminster principle of Government and Opposition is all about and I think that ultimately Gibraltar will gain by that. Basically, I think Gibraltar is united on this issue and therefore there is no need for us to try to sweep under the carpet other matters and have stagnation in the political life of Gibraltar. Mr Speaker, when small nations are faced with crises the people essentially are united. In the State of Israel it is said that if you put two people into a room they leave that room having formed three political parties and I am sure that that is the way things are in the conduct of their everyday affairs. The Israelis disagree and quarrel bitterly in their healthy political life but on the essential issue of the survival of the State of Israel they have demonstrated in a historical manner their ability to face enormous odds and conquer and I think the short history of Gibraltar and the short history of our struggle since 1963 is very much along those lines because we have been threatened with extinction by a large neighbour who it is clear still has very little goodwill for us. Where I quarrel with what has happened this morning is that I think it was a good thing that there should have been a demonstration, a walk-out by people showing their solidarity but there was no need whatsoever for the proceedings of the House to have been interrupted and for the people outside the Chamber to have been addressed. If the matter had been left at that and if we had been able to carry on with our business here, I think that that would have been a very good thing indeed. But, of course, perhaps because there is a need even within Trade Union movement for some leaders to try and get advantage over others and to upstage them, someone had to address them and therefore a second speaker also had to address them in order not to be upstaged. That is what I think has been unfortunate and I do not think that any credit has been derived from that but perhaps, Mr Speaker, if in life we can draw benefit from our experience and build on that, perhaps that is a good thing in any case. Therefore, having regard to what has happened I very much hope that people will realise that this cannot be the pattern for the future. This is not the way in which we have to struggle over the next year or so. The Honourable Mr Bossano, in introducing his motion, spoke about the duties that elected members have.

He said that we are not elected in order to have a social standing in the community. I could not agree more. My own position and my whole attitude to the matter is entirely different. I was perfectly happy doing what I think is a useful job as a schoolteacher and I left teaching perhaps because I felt that the vocation that I had for teaching should be subsumed by a vocation to serve not just children in a particular setup but to try and put my humble talents at the disposal of the people of Gibraltar, something that I will continue to do for as long as people want me in a democratic situation but I have a painful experience of what happened seven years' ago almost to the day on 16 December 1974, and happily, that has not happened this morning and if there had been any indication of that happening my attitude, Mr Speaker, would have been to pack up, to go home, to go back to teach and serve children in a humble capacity and I would leave the Government of the affairs of Gibraltar to anybody who would be happy in that situation to pick up the cudgels. It has been said in an official communique issued by the headquarters of the TGWU in London that the move of the British Government to close the Dockyard was the beginning of a sell-out to Spain, a sell-out of the people to Spain. I do not know whether when Mr Bossano said that he has never had much trust in the present British Government he was also perhaps hinting at that. I would have agreed - perhaps I would have been very suspicious as to the motives of the British Government if Chatham and Portsmouth had not also been affected. If the closure of the Gibraltar Dockyard had been in isolation perhaps I would have been suspicious but if that is the case then we ought to have been very suspicious as to the motives of the Labour Government in 1977 when they were seriously contemplating doing precisely that. If we should not have much trust, as the Honourable Mr Bossano said, in the present British Government, then what about the left wing of the Labour Party? What about the Frank Hooleys, the Frank McNamaras of this world? I have always suspected that in a situation in which the left wing of the Labour Party was in office in the United Kingdom and the Socialists were in Spain, they would all get together in the spirit of Socialism and sell Gibraltar down the river. What I am saying is this, Mr Speaker, that as an elected member of the House I do not care what Government the British people elect. I have my own private views about the political parties in the United Kingdom but I do not care as an elected member of the House what party they elect provided that British Government behaves and acts towards the people of Gibraltar in an honourable manner and if they don't I will endeavour to fight that British Government regardless of its political complexion. But what I am not prepared to do is to fight the present British Government because I do not happen to share its political ideology. Undoubtedly, the response of the British Government to our aspirations and to our representations has been dool but that is the response of the present British Government to

everybody, they are cool to everybody and not just the people of Gibraltar. Again, if they are not fair to working people in Gibraltar I will fight them but what they do with the working people in the United Kingdom is a matter for the people of the United Kingdom and if they do not like the British Government then there is a remedy in 1984 they can bring them down or as was done with Mr Heath now that Mr Arthur Scargill is leading the miners, no doubt they can use the miners to bring Mrs Thatcher down but that is a matter for them and not for us here. Let me warn the House, Mr Speaker, that if we are to be successful in diversifying the economy of Gibraltar and in finding even supplementary alternative economic activity, the land issue will be equally crucial and the fight will also be a difficult one because the MOD and the United Kingdom Treasury take a very entrenched view of the matter. Whilst we have got support from the Foreign and Commonwealth Office, it is clear that there is a conflict of views between departments of the British Government and therefore it will not be a straightforward matter for us to win through on what is also a very crucial issue. The Honourable Mr Bossano referred or intimated that perhaps there was a danger of a policy of appeasement of the British Government being adopted. He said that the time had come for plain speaking. We have had plenty of plain speaking. I was only this morning reading the record of the meetings which we had with UK officials at the end of November and if that wasn't plain speaking then I do not know what is but one thing is plain speaking within the four walls of a Conference Room and another one is plain speaking here in this Chamber or downstairs. That is quite another matter. Of course, there has got to be plain speaking and of course we have to quarrel with the British Government but we must always be guided by the principle that we are quarreling with people who are basically our friends, with people who have basically treated us decently and that is what we have got to be careful, that is where there has to be a fundamental difference of attitude to the manner in which we approach Britain and the manner in which we approach Spain. That is the choice that the people of Gibraltar have - independence or whatever, as was said on one occasion and as I have also been hearing recently because that would appear to be the alternative if there is an anti-British backlash in Gibraltar. We clearly do not want to be Spanish so therefore the only alternative is independence or whatever. That is a road that will only lead the people of Gibraltar into a takeover by Spain. Independence means a Spanish Gibraltar ultimately and if we want to maintain our way of life and our real independence from our neighbour it is only if we quarrel with the British Government, but as friends, and if we maintain ourselves on target that it is only a British Gibraltar that has a chance of survival.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I would never dare to even think of telling the trade union movement what to do or what it shouldn't do. It is their right to take whatever action they have within the laws of Gibraltar. I would certainly not try to intimidate them in any way on what action they should take in the future. The Honourable Mr Bossano has tried to explain that the crowd outside this morning were not trying to intimidate us and I find that very reassuring. But I felt intimidated, whether they were doing it on purpose or not, I felt intimidated. Let me tell the Honourable Mr Bossano and everybody in Gibraltar that if they try to intimidate me I will always do what I think is right. I am completely fearless of everyone including the British Government, the Chief Minister, Mr Netto and everyone in Gibraltar. I will do always what I think is right. It has been said in this House that our best friends are in Britain and that the British Government ultimately is our best friend. Well, we have received a kick in the teeth from Britain and it hurts and as a boxer myself I have had quite a few kicks and punches in my mouth and it hurts but can you imagine what our enemies will do to us? I can think of other parts of the anatomy where it hurts far more. Whatever Britain has done to us now they are still our only friends. What I am not prepared to do in the way the motion has been presented by the Honourable Mr Bossano is to give a blank cheque to anybody to do whatever they like because we all know that there are people under the cover of being Socialist who are Communists and Anarchists. We all know who they are and they hide under the cover of Socialism but it is not Socialism it is Communism and Anarchy and what they don't want us to have here is a British influence and what my Honourable Colleague has said on the question of extreme Socialism and left-wingers in Great Britain and the Socialists in Spain and the Communists, if that were to happen, by gum, they would sell us down the river. Someone else has said it better than me, Mr Speaker, that good leaders go with the current of opinion of people, but it has also been said that great leaders feel the current and then do what they think is right. I hasten to add I do not consider myself either a good leader or a great leader but I do consider myself to be a sincere and an honest person despite the silly and idiotic remarks from the public gallery.

MR SPEAKER:

Order. You must not refer to whatever happens in the public gallery.

HON MAJOR F J DELLIPIANI:

Mr Speaker, part of the motion of the Honourable Mr Bossano says "fight the closure in 1983". To me it is significant.

Why didn't he put fight the closure of the Dockyard. If he puts "fight the closure of the Dockyard in 1983" to me it is implicit that he knows that he cannot stop the closure of the Dockyard. It is implicit by putting 1983 and that is the realist part of me which I will fight for. I will fight against the closure of the Dockyard, of course I will, but I know that we are not going to be successful. What we have to fight for is for time, that is what we have to fight for and that is what we haven't been given. The Honourable Leader of the Opposition put it very well today. He has been a realist. Fight, yes, fight, but if we lose what then? It would be very irresponsible of any Government, of any elected member, if he didn't have something in reserve behind him. That is being a realist. My family have served in the Dockyard between my grandfather, my father, my greatuncle and my uncle something like 160 years of service to the British Government, of very loyal service. In fact, my grandfather served for over 40 years and he didn't miss one day, not one day. I do not come from a capitalist background, I am not a rich fellow, my father was a Storehouseman in the Dockyard and my grandfather was an Assistant Storehouseman, I am not a capitalist. I know what it is not to have money. There have been allegations made in some quarters that I do not know what it is not to have money. I had to go to work because my grandfather died and we lost his earnings. I never had a bicycle in my life. The first bicycle that came into my house was a bicycle we bought for my brother with my earnings. So let me not be described in different papers as a capitalist. I know what it is to be without money. What is important today, Mr Speaker, is that we are united in a fight for our survival but we must not lose sight who our enemies are and I will not give a blank cheque to the Trade Union movement or to anyone to destroy the Gibraltar that we love.

The House recessed at 1.00 p.m.

The House resumed at 3.25 p.m.

HON J BOSSANO:

Mr Speaker, I wish to propose the following amendment to the amendment before the House which seeks to restore the original motion and I would like to explain why. The amendment reads: That the following words be added before the word 'call' in the third line of the amendment. The words are: "fully endorses the decision by Dockyard employees and the Trade Union movement in Gibraltar and the United Kingdom to oppose the closure and". The "and" is because it should have been there and it isn't, Mr Speaker. In the amendment that we have before the House the word 'and' after the figures '1983' is deleted as well which means that the motion would read: "in 1983 calls on the British Government to reconsider the

decision....". I am sure that was never intended. It is required for linguistic reasons if for no other. The amendment that I am proposing to the House, Mr Speaker, I am putting forward because in saying I could not accept the amendment that we have, what I cannot accept about it is in fact what it deletes and not what it adds. Let me say that I do not see how one can argue, for example, that if we have got a situation of industrial strife in Gibraltar and that fails then what, without being required to apply the logic of that argument to any measure that we take. One could equally say if we have representative bodies if we lobby Parliament and a decision is still no, then what. That question is always there whatever we are doing. I will be quite candid with the House. I do not believe that what is being proposed in the amendment that we have, not in the one I am proposing, what is being proposed in the amendment is really going to take us any further than the Chief Minister has already taken us in his recent visit to London in the sense that when we are talking about a Gibraltar view I think the Gibraltar view which is the unacceptability of the decision and the discontent at the way that the situation has been handled by the British Government and at their lack of flexibility, to the extent that that is the Gibraltar view I think that view has already been put in no uncertain terms to the British Government by the Chief Minister and therefore to the extent that that is what a united Gibraltar view can put forward, I do not think there is any question that that has already been done. If we are talking about lobbying Parliament and so on, then certainly the British Government is not, in my judgement, very likely to listen to that sort of pressure if that is all that is happening. I do not see, therefore, the proposed amendment as something in substitution of the actions that the Trade Union movement may be taking but as an additional measure and I do not object to it as an additional measure nor am I against taking part in it myself as an additional measure. In seeking to restore what was deleted from the original motion, I have taken into account the objections that have been raised to the motion as it was phrased originally and therefore I have replaced the word "fight" by the word "oppose" because as I mentioned, Mr Speaker, in my earlier contribution, there is no question of industrial action requiring endorsement by the House, I think the people who are employed in the Dockyard if tomorrow they are given a letter saying they are going to be made redundant in six months' time, are perfectly entitled to take whatever industrial action they think fit or their Union thinks fit, I would not come to the House to seek an endorsement of that action. What the motion seeks, and I thought it was perfectly clear, was an endorsement of the decision to fight the closure. If the word "fight" has got connotations which are unacceptable to other members in the House, and I do not think we should mince words on this issue, then in order to be clear what we are talking about I am proposing that it

should read "oppose" the closure rather than "fight" the closure and to make it further clear that I am not seeking approval of industrial action in the House of Assembly, I am referring to the Trade Union movement in Gibraltar and in the United Kingdom because in fact the Trade Union movement in the United Kingdom is not expected to be taking industrial action on this issue, what they are expected to be doing, and what they are doing, is organising a publicity campaign within the Trade Union movement to explain Gibraltar's case and to seek support for it very much although not quite as limited but very much the sort of exercise that the CPSA in the United Kingdom undertook to do on behalf of their local membership when they were in dispute with the MOD, they were locked out during six months, the industrial action was taking place in Gibraltar and in the United Kingdom there was a propaganda exercise inside the Trade Union movement where up and down the country people were being lobbied for support for the Gibraltarians who were in dispute. I think the Trade Union movement has undertaken to be doing this, has undertaken to carry out an exercise of making representations to the British Government on our behalf, of lobbying Parliament on our behalf, of seeking the support of the TUC, Trades Council and trade union branches in the country. That is the action the Trade Union movement is going to be doing in the United Kingdom. In fact, that is part of the opposition to the closure but the motion seeks support for the decision to oppose the closure just like it sought before support for the decision to fight the closure because, in fact, it is not the actual methods that are adopted that need the approval of the House of Assembly, it is the sentiment, the decision not to accept that closure. I think that has got to be clearly understood. With all that has been said about being used and being made to be anti-British and all the rest of it, let us be clear about one thing it is not that we are choosing to take on the British Government, it is a British Government decision, not ours. We have not decided that we do not want a military base in Gibraltar and we are going to kick the British out as they have done in other colonies. The British Government has decided that it no longer needs the Dockyard and therefore they are pulling out - as simple as that. They decided it in the full knowledge of the consequences because the consequences were spelt out to them before the decision was taken. We now have to carry out an exercise at a political level to get a public reaction against that decision but the people involved in the Dockyard themselves, and I think that needs to be clearly understood in this House, it is no good, Mr Speaker, if we just go along with the notion that we can prevent this from happening by collecting signatures, by sending letters to Members of Parliament, by sending a delegation to the House of Commons and at the same time as we are doing all that the process of closure is actually being implemented. That is certainly not on because if they start giving redundancy notices to people,

if they start demarcating an area for the naval base and an area for the commercial dockyard, they start bringing in people to look at the place and submit tenders, then all those moves will be resisted by the people whose cooperation is required to implement that. We cannot expect those people to simply sit back and allow all that to happen whilst we are writing letters in the hope that the machinery that is being put in train will somehow all be undone at the end of the day. That is not on and therefore I need to spell quite clearly to the House to the extent that I see the involvement of the House of Assembly which in no way can be either a curtailment of the freedom of action of the people actually employed and actually under threat of redundancy nor am I asking members of the House to say that they will support whatever action dockyard workers take. I am not saying that. The original motion did not say it and if it was not clear enough in the original motion then I hope it will be clear enough in the amendment I am now proposing and that the House will be able to accept this because that would enable the motion to be carried unanimously as I would then be able to support the amendment proposed by the Chief Minister.

Mr Speaker proposed the question in the terms of the Honourable J Bossano's amendment to the amendment.

HON CHIEF MINISTER:

Mr Speaker, I have not got the advantage of the crowd downstairs to go and tell them what is happening here with the note that I have been given just as I came in. My friend at least had the benefit of an hour or two before he was able to do that but we can deal with this without the need of consultation downstairs. The Honourable Member has made a remark which goes to the root of the difficulties one can find in this amendment and that is that all along the line the Trade Union movement may well or will oppose any studies that are made, anybody that goes to find out this or the other. Whilst on the one hand we oppose the closing of the Dockyard, on the other hand we, the Government, consider that we have the responsibility of finding out what is going to happen. If all the Trade Union efforts fail, we in this House are going to support, endorse, the action that the Trade Union movement is going to take which could well be contrary to the action which the British Government, in consultation with the Gibraltar Government, consider it necessary to carry out certain preventive measures or preparatory measures. That is the difficulty. It would have been easy, having regard to the events this morning, to have said that we reject this, we stick by ours, we have got the majority, but that I do not think is good either. Do I understand the Member now to say that on that basis he accepts the amendment and accepts the deletion of the words in my amendment?

HON J BOSSANO:

I am accepting the amendment moved by the Honourable Chief Minister.

HON CHIEF MINISTER:

Then in trying to take a view that will be as constructive as possible but will leave the possibility of a consensus, I have an amendment to this amendment. Because we have objection, and I have had a word with the Leader of the Opposition, because we have objection to endorsing in advance any action that the Unions can take which may not be the action which in the view of the Government is the right move, I think the answer could be met by substituting the first two words of "fully endorses" in order that it should be conscious of what the Dockyard workers are doing, and substitute the words "takes note of" the decision of Dockyard employees and the Trade Union movement in Gibraltar and the United Kingdom to oppose the closure. Note is taken of the fact that that is what they are going to do. On that basis, of course, I would be quite prepared to accept the amendment on behalf of this side of the House.

MR SPEAKER:

We can do this in one of two ways. We can have a short recess so that we can get a consensus motion or you must move the amendment so that we can hear the amendment to the amendment because otherwise we do not hear the views of Mr Bossano.

HON CHIEF MINISTER:

As far as I am concerned if the Honourable Member wants time to consider it, then let us have a short recess, I have no difficulty.

MR SPEAKER:

So that your proposal now is that the amendment to the amendment should be further amended by the deletion of the words "fully endorses" and the substitution therefor of the words "takes note of".

HON CHIEF MINISTER:

What I am saying is that the Honourable Member may want to think about it to see whether he accepts it. It is done in a spirit of conciliation despite everything. It is done in a spirit of trying to find a consensus view of the whole House, otherwise I would be compelled to reject the amendment and come back to the first amendment.

MR SPEAKER:

Yes, but the only way we are going to find out what Mr Bossano is going to do is either by proposing the amendment to the amendment or by recessing.

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

HON P J ISOLA:

Perhaps I should say what our view is to this amendment. I would not like to get involved in a series of amendments unless they are going to be successful. I support the view that perhaps the Honourable Mr Bossano should tell us whether he would go along with that amendment because otherwise it would be better to take a straight vote and not find ourselves with an amendment that we haven't really asked for. I think we would go along with that, I think this House can quite properly take note of the decision that has been made by the Dockyard employees, the Trade Union movement in Gibraltar and in the United Kingdom to oppose the closure. I notice that the United Kingdom has been brought in now. I don't know whether that means that the United Kingdom Trade Union movement was prepared to oppose the closure, but not to fight it now that the mover is changing the word from "fight" to "oppose".

HON J BOSSANO:

Mr Speaker, I have explained it already but I will explain it again if the Minister will give way.

HON P J ISOLA:

What I am saying is that I don't know whether the United Kingdom is being introduced now because the phraseology has been changed, because it was not in the Honourable Member's original motion.

HON J BOSSANO:

I can answer, Mr Speaker, if he will give way.

HON P J ISOLA:

I will give way.

HON J BOSSANO:

If he doesn't want an answer then he can keep on asking me but I cannot answer because I am not allowed to answer sitting down. The reason, as I mentioned when I moved the amendment, was that the word "fight" which I can tell the House that as far as the news services in Gibraltar are concerned, when they reported the matter at midday in Spanish, they used the

word "oppose" as being obviously synonymous with "fight", so as far as I am concerned, I am putting the word "oppose" there simply to meet the objection that was raised originally saying that the reason why the motion could not be accepted was because I was asking this House to approve industrial action. The reason why I have included the Trade Union movement in the United Kingdom is because the Trade Union movement in the United Kingdom has committed to fight the closure but has not committed itself to taking industrial action. I could have equally said the Trade Union movement in Gibraltar and in the United Kingdom to fight the closure, or the Trade Union movement in Gibraltar alone to oppose the closure. I have put those two things in in order to reassure Members that they are not committing themselves to being in favour of industrial action. That is a reason and that is the reason I gave at the beginning, Mr Speaker. That is the only reason.

HON P J ISOLA:

I see that. The only thing I was commenting on was not in the change of phraseology but in the inclusion of another party, the Trade Union in the United Kingdom, which wasn't in the original motion. I didn't know that had any particular significance in this amendment.

HON CHIEF MINISTER:

It certainly has more if we say that we "take note".

HON P J ISOLA:

Anyway, as far as the amendment goes I think we would go along with it if the Honourable Member accepted the amendment proposed by the Honourable and Learned Chief Minister that this House is taking note of the decision of Dockyard employees and the Trade Union movement to oppose the closure because that is not inconsistent with the view that we are putting forward that we should have consultations. If the Honourable Member then accepts the rest of the motion, which is calling on the British Government to reconsider the decision and resolves to take steps in consultation with everybody then, perhaps, we could achieve what I think all Members of this House would want and I think all the people of Gibraltar would want, a Gibraltar view. When I talk of a Gibraltar view, I am not just talking, Mr Speaker, and that must be obvious to the Honourable Mr Bossano, I am not just talking of a Gibraltar view of how we regard the thing, do we oppose or do we not. When I am talking of a Gibraltar view, I am talking of a view of what our policy is and how we are going to implement it. I would hope that if the Honourable Member is supporting this amendment that has been suggested by the Honourable and Learned the Chief Minister and supported by this House and accepts the amendment that is now being put, under

which the House takes note of the decision of the Dockyard employees and the Trade Union movement, I am hopeful that if that is the case that could be a step in the right direction of everybody discussing with each other what should be done in the circumstances. In those circumstances, we would support the amendment proposed by the Chief Minister to the amendment proposed by the Honourable Mr Bossano, and the whole amendment afterwards and I hope in the end we all know what we have done. Thank you, Mr Speaker.

HON J BOSSANO:

Mr Speaker, let me say that the motion that I brought to the House was a motion designed to get support for the decision to oppose the closure or to fight the closure, support for that decision. It is quite clear that the House is not willing to state clearly and categorically that it supports the decision but that it notes the decision. I think the House has got no choice but to note the decision. Quite frankly, I do not see how we in this House of Assembly can ignore what is going on outside and I think it would have to note if there was a general strike in Gibraltar. It wouldn't necessarily have to endorse it but it would certainly have to note it. If that is as far as Members are prepared to go, then I will accept the amendment rather than find myself voting against what I assume to be an attempt to be constructive in the original amendment that we are discussing. I have made it absolutely clear that my opposition to the original amendment stems not from what is being added but from what is being deleted and that is why I cannot support it because I cannot support the deletion of all the words after "1983". It is because I would rather not vote on a motion that calls on the British Government to reconsider the decision and because I am prepared to participate in any attempt to persuade the Government to alter the decision that I am prepared to accept the proposal that the House should note what the Unions are going to do but I have to make it absolutely clear what the GSLP line is on the question of looking at alternatives, that it is not our responsibility to find an alternative to a situation created by the British Government, firstly, and, secondly, that it is not feasible to fight alternatives to running the economy of Gibraltar on the basis of having to deal with the Gibraltar economy in bits and pieces. I think it goes to the very root of Gibraltar's constitutional position and to the very root of Gibraltar being a colony and the responsibility for the economic management of Gibraltar. That is our political stand on the specific action that the Trade Union movement will take to defend its members' interests, the House fully well knows that I shall have and my party shall have no problem in giving political endorsement to that action and defending that action at a political level. If the other Members can only note that it is happening, well, no doubt they will have lots of things to note from now on.

HON CHIEF MINISTER:

I am glad that the Honourable Member has accepted this amendment to his amendment because by my amendment this morning I didn't want it to be thought, or rather it was never intended by the amendment, in fact, the Trade Unions are mentioned there, and I am grateful to some extent to the first part or rather the motion subject to the amendment I have made because it puts the picture of the situation quite clearly because as I see it now, insofar as we are concerned, no doubt the original motion will be voted and so on but as far as we are concerned now, the motion will read: "This House condemns the proposed closure of H.M. Naval Dockyard in 1983, takes note of the decision of the Dockyard employees and the Trade Union movement in Gibraltar and in the United Kingdom to oppose the closure and calls on the British Government to reconsider that decision and resolves to take steps in consultation with the Trade Unions, the main representative bodies and Gibraltar friends in Parliament, to persuade the British Government to alter that decision". That seems to me an eminently suitable form of expressing the concern, taking note of what the Union is doing without necessarily involving the House of Assembly in anticipation, which in any case it is stated is not the intention, and we could have a consensus view.

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

MR SPEAKER:

The question which is before the House now is the amendment as moved by the Honourable Mr Bossano, which reads: "Takes note of the decision by Dockyard employees and the Trade Union movement in Gibraltar and the United Kingdom to oppose the closure, and".

Mr Speaker then put the question in the terms of the Honourable Mr Bossano's amendment to the amendment, as amended, which was resolved in the affirmative and the amendment to the amendment, as amended, was accordingly carried.

MR SPEAKER:

The question before the House now is that the original motion as moved by the Honourable Mr Bossano should be amended by the deletion of all the words after "1983" and the substitution therefor of the following: "takes note of the decision of Dockyard employees and the Trade Union movement in Gibraltar and in the United Kingdom to oppose the closure and calls on the British Government to reconsider

that decision and resolves to take steps, in consultation with the Trade Unions, the main representative bodies and Gibraltar's friends in Parliament, to persuade the British Government to alter that decision".

HON MAJOR R. J. PELIZA:

Mr Speaker, you know better than I do that we always start our sessions here with a prayer and I always remember one bit of that prayer which says: "Send down thy Heavenly wisdom from above". I have the feeling that this wisdom has somehow come to this House on this occasion at the most appropriate time. I was sure, when my Honourable Friend introduced the motion to start with, that eventually, in the way that we always do, very forcefully at the beginning, gradually listening to the arguments from the other side and from all quarters and accepting that in a true democracy one can always say: "I may be wrong" and no one has any right to look down upon that man because by accepting that perhaps he was not absolutely right or that perhaps he was not projecting the view of the majority of the House and of Gibraltar as a whole, he should somehow find a compromise. In no way, in no way, must a person who has got the greatness to accept that, feel defeat because that is not defeat, that is success, in that it is obvious that in this particular issue which affects Gibraltar so very seriously, that this is the time when people must, somehow, give way from any strong views that they may have and accept that it is only by consensus, by total agreement, that we can carry weight in other quarters. I, for one, am extremely happy that this has come about. I have been away from the House because I was recording a political broadcast and there I said that it was very essential that the whole of Gibraltar should rally behind the Government on this most important issue which is affecting us today. Recriminations, accusations or anything else like that is not going to help in any way. The wisdom, either from above or from within us or whichever way we want to take it and a good sense of humour, wisdom and humour, are the two most essential factors of democracy. This, I think, we saw here today earlier in this House notwithstanding there were very tense moments, a laugh could easily come about at the end and this is the true sign of democracy. It is that sense of humour that won Britain the last war and it is that sense of humour, I think, that we must always keep in this House if eventually we are going to defuse the situation and arrive at the right conclusions. It is interesting that as I was going down Main Street after our lunch break, I came across a number of people who were downstairs and they all told me that they had not gone there in any way to pressurise anybody but in fact to show support for the matter not necessarily the motion but the matter that was being discussed in this House. I am so glad, Mr Speaker, that this is in fact what is happening here today. We can look

ahead, Mr Speaker, to a good, strong, united front in Gibraltar which follows, I think, the call of my Honourable Friend and Leader of my Party, Mr Peter Isola, who has always been saying for a long time now, that on this issue it is a question first of all of resisting any closure as a united front and, secondly, if there has to be a change the change has got to come about in a way that will guarantee as it goes along the economic position of Gibraltar now and for the future. I think this is the approach that the Government has taken and this is the approach that we must all take and this is the matter that the Union has got to take into consideration. As I see it, Mr Speaker, the closure of the Dockyard is going to affect us in three ways - economically, which means our standard of living, but economically, too, it is going to affect our national security and also our personal security. I can understand the Unions being extremely concerned about the first one - the standard of living. They have got to see it in that way, that is their main objective, that is what they have been created for, to defend the position of the worker and to defend their standard of living and no one can say that as far as I am concerned I have not always supported and admired the Unions in that respect. They know it, I played a small but effective part in the CP&SA dispute. I made sure that representatives from England came over to Gibraltar and supported them. The Union also know very well how much I agreed and supported the question of parity. If now I see the situation in the same way but I believe that their part is one side of the problem which is perhaps essentially and primarily the question of the standard of living, the question of a job, we in the House have got to see it in the light of personal security and national security. In no way can we give away our national security or the personal security for the sake of standards of living. I am sure that if it came to the crunch and you asked individuals: "What do you prefer, your standard of living or your personal security?" I have no doubt that the answer will be: "My personal security and the personal security of my family and the national security comes first". Because if that is not so they are not really Gibraltarians because in a war, if you have to fight an enemy, do you think of your standard of living, of course not. It will have to go by the wayside because the first thing is defence, defence of your people and of your country and this is the way we have got to see this. Our immediate and first object is the defence of Gibraltar and its people. Of course, we must not forget the standard of living which we are not forgetting and which we do not want to forget and which is not justified that it should be destroyed in the way that I am afraid the closure of the Dockyard will do. Mr Speaker, the Trades Council of Gibraltar in this very good and to the point leaflet that has come out, sets out very clearly the serious effects that this will have on Gibraltar. I am sorry that the consequences of this have not been brought to our notice earlier in the way that the Trades Council have done

it today because we see here not just in a form of imaginative thinking but with figures, what the position is. I hope that the Trades Council of Gibraltar can somehow add something to this and send it to all the Members of Parliament and to all the Members of the House of Lords because I know that they do not fully realise what this means to Gibraltar. They are used to hear: "We close Chatham, we partly close Portsmouth". It does not strike them what this would bring to Gibraltar. If closing a dockyard in England meant the end of the United Kingdom would they take it the same way? Because that is what it means to Gibraltar, but they don't realise it and this has got to be driven home. You must realise that these things are done by a Department. It is the Ministry of Defence who has been told: "Somehow, you have got to change the whole policy and in changing the whole policy everything goes by the wayside". The Civil Servant who is given that brief has got to go ahead and do it. If they want to effect cuts in the Navy they want to have their rum and drink it and they could not care less about anything else and this is the way they are looking at Gibraltar, they want to have their rum and drink it. They want to keep the base but they could not care two hoots about the Dockyard. That is not the way that we can see this because the base is important and we want the base to be here but at the same time those who support the base somehow must be kept alive and the people must be kept as a people and if this is not done it is obvious that people will have to think and wonder whether there is an ulterior motive because no sensible approach to this problem would be taken in the way that is being done, without notice, without consulting the Government, so roughly done, no considerations for the feeling of the Gibraltarians, no public relations to ensure and show what the future is going to be for Gibraltar. We do not even know what the study of the Dockyard and the consequences to Gibraltar are. This is why I say I am so pleased that the Trade Unions obviously with facts and figures have produced this leaflet because now we have something concrete that can be shown to people, these are the facts. Before we did not know the facts, all we are told is that everything is going to be alright. We cannot accept that position and this House does not accept that position and quite rightly we don't and the Chief Minister has got all the support from us, and I think of the whole of Gibraltar, to make sure that that position is not accepted but whilst we talk here do you think that this filters through to people who should know, of course not. We do not realise that there are over 600 Members of Parliament and it is not so easy for them, they have their own problems in their own constituencies, they have their own unemployment which is costing them votes. Gibraltar does not cost them any votes, it is wonderful, in fact, it is admirable that those men who have got problems in their own constituencies which are much greater and much closer to them than ours and yet they have the time to think about us and fight for us and even give up

positions within their own Government because of this, because there are Members of Parliament who because they have supported Gibraltar can never ever expect to be Ministers in the Conservative Government. So when some people start talking about Britain letting us down I think they are very mistaken and they have got to be very careful before they say that because that is not the case. Britain is not a department of Government and there are great fights within the Departments of Government, there are great fights inside the Cabinet, you hear about the "wets" who literally are thrown out of the Government. Is the Government, by throwing a man out of the Cabinet, being anti-British to a Britisher? No, of course not, that is part of the whole intricate way of democracy and we have got to see it in that way and not suffer from an inferiority complex and say that Britain does not want us any more, that is not so. If we have good public relations in the United Kingdom we will see tremendous support from the House of Commons and we have got to do it. We did it with the Nationality Bill and it proved a great resounding success. We beat the British Government, we beat Margaret Thatcher and that is quite an achievement. I can tell you one thing, too, I think she is a sport in that respect and I do not think she has it against us because of that. On the contrary, if anything, she will admire us all that more but what we have to be careful is to use our heads and not our feet on this occasion. If anybody is going to take any form of action they have got to think it through. If at the end of the day this does not work, what do I do next? Do we all jump over the cliff? Is it nihilism that we are preaching? That is not what we want, that is not going to bring the security that I said before and I am sure that in that situation the people of Gibraltar would rather accept a lowering of their standard of living rather than their own extinction because otherwise we are going to do ourselves to ourselves what the Spaniards have not succeeded in doing in sixteen years and it is stupid and foolish to act in that way. Therefore, Mr Speaker, not because we have to think a plan through to the end does it mean that we need be any weaker at the start. In fact, we can even be stronger because when you know what your fallback positions are then you know exactly what you are doing. This is not something that you can act passionately on. Passion is all very well but what we need here is nerve more than passion so that if the situation gets worse we are in a resilient position to be able to hold it and we have got to get the people of Gibraltar to understand what the problem is, to have faith in those who are now going to guide them to victory and to act in the way that they are told that they should and at the same time the Government as it has already done in this motion has got to try and get as we have done before, the cooperation and the advice of the Trade Unions, we must be prepared to listen to what the Trade Unions have got to say. I am sure that there are lots of good things that they can do and when we know what they are going to do we can give them full support. What I, as an elected member

of Gibraltar, elected here by the people generally, cannot do is give a blank cheque to anybody saying that I will support you in whatever you may do. That I cannot do because that would be the abdication, Mr Speaker, of my responsibility and I have no right to do it because that is not what the people said. They did not vote Bob Peliza to the House of Assembly to pass on the trust they put in me to anybody I liked. I might as well go and pass it on to Calvo Sotelo and let him do what he likes but that is not what the people said. Therefore, my Honourable Friend in his motion unfortunately went too far but luckily through the discussion which is meant to take place in this House, now we have got something that I am sure will produce a united front, a Gibraltarian view that my friends spoke of earlier today. The Gibraltarian view, Mr Speaker, that the Government has got to take. We cannot wait now, the clock is ticking and you can see that whoever wants to put this into motion is moving very fast and of course they are moving very fast because they want to get it out of the way as quickly as possible. Because once the thing is done, once you scramble the eggs, Mr Speaker, you cannot unscramble them and these boys are experts at scrambling eggs and they are doing it very fast so we have got to be very careful that the scrambling doesn't take place. Therefore, I think the Chief Minister must urgently call all the representative bodies of Gibraltar and urgently produce a plan of action. I think the Chief Minister said very rightly this morning that we cannot tell the Unions what to do, of course not, and they will probably be able to take action on their own. They have and they will and no one is going to stop them. They may be told to be careful and not to go too far that what they are doing may be counter productive and that instead of having a friend they may have an enemy in a very important place. Spitting in somebody's face if what you are going to get back is a jolly good punch in the nose with a lot of blood coming out of it, I think is a very stupid thing to do. If you have not got common sense of course you may do all sorts of stupid things but the thing is that in this instance it is the whole of Gibraltar that is going to suffer, and this is why we have got to be very careful, this is why we have got to be so responsible, Mr Speaker, in our approach. I think this united front led by the Chief Minister with the full support of this House and the full support of everybody in Gibraltar I have no doubt gives him tremendous strength. He is now speaking with the voice of Gibraltar and carrying with him a Gibraltarian view. This must be made known in Britain as soon as possible. We have got to get the Members of Parliament of all parties. When I go to England and speak to members of different political parties I do not identify myself with any of them, it is not productive for us to do so. I may have my own personal views which in fact may change with events but one thing I do is I keep all the time with all the parties, whoever they may be, to gain as much support as I can. After all, Churchill said in the last war at one point "if necessary I shall pact with the devil". We have to pact with the devil if necessary to win so whatever the personal

political views of anybody in this House may be, as far as Gibraltar is concerned he has got to forget about them with regard to the United Kingdom because that is not going to help in any way. As far as this battle is concerned for Gibraltar, ideology should not play a part. What we have to fight for is for our homeland, for our people, and this I think we can do with great success. Mr Speaker, I am glad that now something can be done both here in Gibraltar to rally people together and in England and all I ask the Chief Minister to do is not to waste much time about this because the time is not there to be wasted.

HON CHIEF MINISTER:

Mr Speaker, the tension has subsided and I think we have to learn a good lesson of the events of this morning for the future. Certainly, one thing has come out clear and that is that this House, whether intentionally or unintentionally, is not prepared to be intimidated by anybody from carrying out its duties to the people of Gibraltar. We are not in the position of the House of Commons where thousands of people can go into a Chamber and lobby people while Parliament is quietly talking about many of the thousands of problems that go before the House of Commons. People come from different parts of the country, they want to see their MP's in the lobby, the MP's are interested to know the views of their constituents and therefore the direct lobby has got a very special effect so, I don't think that the comparison attempted to be carried out today was a very happy one. Anyhow, let us at least learn that whatever views people may have they should be expressed at the right time and certainly in such a way that the voices of the people's representatives whilst in debate can be heard unobstructed by high powered loudspeakers. With regard to the quick action that the Honourable and Gallant Major has just mentioned, I would like to tell him that before I came to this House I had arranged with the Administrative Secretary to call a preliminary meeting of everybody for Tuesday at 5 o'clock to make them aware of the problem and send them away to think and then we will have a longer working meeting subsequently. I did that before I came to this House, on my way down, because I felt, as the Honourable Member who has just spoken said, that we must not lose time and that despite the holidays and so on, we had to have a preliminary meeting if only to involve the people concerned and let them go away and think about it and come back again. One other point that was raised by the Gallant Member which I didn't understand but I think I ought to mention because I don't want it to be given a wrong impression. He said that our national security could be affected. Well, I hope he didn't mean that the national security would be affected by the closure of the Dockyard insofar as the security of Gibraltar is concerned.

HON MAJOR R J PALIZA:

No, of course not. I was thinking that obviously Gibraltar has got to keep body and soul together and if there is nothing coming from the normal industries that would keep us with a closed frontier, then we may have to look that way. Since the Lisbon Agreement only says they will suspend the restrictions, once we get geared to that and they clamp down again we are very much at a loss. This is what I said.

HON CHIEF MINISTER:

I accept that the security is weakened if the economy is weakened. I say that because it is not often understood that the closing of the Dockyard, or the proposed closure of the Dockyard which we are going to resist, is one thing and the Naval Base is another. The Naval Base will continue to employ people, will continue to supply ships and will continue to be of importance strategically because NATO ships will continue to call. The difference is that of course the other one, which is the more labour intensive parts, is the one that is proposed to be closed. Mr Speaker, as the Gallant Member has said, we normally try, that I think is the best achievement of this House, to find a consensus because what happens in moments of excitement is important for people to take note but what remains on the record and the motion that we pass with all the Members supporting it, tells more later on than the squabbles that we can have at certain times. I think I would like to finish up by saying that there is nobody in this House, whoever he may be and whatever his standing may be who has the monopoly to speak for the welfare of the people of Gibraltar. The monopoly to speak for the welfare of the people of Gibraltar is divided amongst fifteen members. Thank you.

Mr Speaker then put the question which was resolved in the affirmative and the Honourable the Chief Minister's amendment, as amended, was accordingly carried.

MR SPEAKER:

Now we have the original motion, as amended.

HON M K LEATHERSTONE:

Sir, we have had three amendments and it now seems that we have come back to what you call the original motion, as amended, which is going to be passed unanimously. I must say, Sir, that I am very happy that this situation has come about. Gibraltar has gone through, in its long history, several periods of difficulty but perhaps it might not be unreasonable to say that the present situation is one of the most crucial it has ever gone through since the livelihood of Gibraltar is very much at stake and at a time like this it is absolutely

essential that we have unity of purpose. But unity, Sir, is something which, in my opinion, must emanate from this House. It must not be started up by any outside movement, any outside minority political party, whether they consider themselves pro-Gibraltarian or, perhaps, pseudo pro-Spanish. Nor must unity be dictated by what some people might call an incipient mob demonstrating outside the House. Unity must come and must derive from the deliberations of this House, deliberations which must be done without any duress and with all the opportunity in the democratic process for the Members to enjoy. Now, Sir, I saw one poster this morning which said that Mrs Thatcher is the enemy of Gibraltar. Well, I would not say that she is the enemy of Gibraltar but there are many people who feel she is the enemy of Great Britain. In fact, I don't think she has got very much support in Chatham or Portsmouth. But whether we like it or not, unfortunately, perhaps, Mrs Thatcher is there for the next two years and although we don't have to live with her physically we have to live with her policies and it does seem that her policy, whether we like it or not, eventually is going to be a closure of the Dockyard. This is something, I think, that we will have to accept and realise with all the difficulties it may bring but what we have to do at the moment is not accept her drastic ruling that it has to close in 1983, we have to say and we have to fight as strongly as possible, that the closure should be delayed. It does appear that if it has to close at all that I would think that perhaps by 1995, well, Dockyards may not be quite so essential because surface fleets may not be there. But one of the essentials, and it does seem there is a possibility from what Lord Carrington has said, there may be the possibility of movement by the British Government and we must use all our efforts and all our friends in Parliament and of course the Trade Union movement in Great Britain, to help us, if there must be a closure, to push the date back as far as we possibly can within reason. At the same time we must say to the United Kingdom: "If you are determined on this closure, then of course you must give us some viable alternative". By a viable alternative, I mean an alternative which will maintain the level of employment, maintain the level of wages. We don't want a headline alternative. We, on our part, are doing as much as we can to find our own alternatives. I don't think we are wrong at all to look for possible alternatives, one of them, possibly, a commercialisation of the Dockyard but we are also, and we are going to have a consultancy going to look at other ways in which the economy of Gibraltar can be boosted. One of the ways which we are already working to, and from which we have had good results up to now, is to turn Gibraltar into a finance centre. I was privileged to hear a gentleman who is interested in Gibraltar being a finance centre, speak the other day and he gave some of the reasons why Gibraltar is chosen by finance companies as a possible finance centre. One of the most important factors that he brought out was that we have here a responsible Government and we have political

security. This is something that we have been very proud of up to now and something we must preserve at all costs. This is something which not all countries have. Another finance centre, Bermuda, came under severe doubt some little time ago and quite a lot of people who were willing to invest there decided not to continue in that area because of political instability. One of the things that we must have in Gibraltar is strong political stability and obviously that can emanate from good democratic principles as shown by this House. I don't want to labour the point, Sir, but there is somewhere in some people's opinions, that Britain does not owe us a living. That may be so, Sir, she may not owe us a living but she does not owe us a dying either.

HON A T LOEDO:

Mr Speaker, there comes a time when to denote, except or approve, one must do more than just rap a table or nod. I believe there comes a time when every man must stand up and be counted. It is often all too easy to ride with the tide when it is popular. It is just as easy, but obviously not as pleasant, to bow to intimidating pressure and also ride with the tide. I believe that such a time is now. I also believe that as elected representatives of the people of Gibraltar, we should all today stand up and say our piece, make our contribution whether it is a long one or a short one but make our contribution so as to leave Her Majesty's Government in no doubt at all as to the unanimity of Gibraltar on this great problem which we are faced with today. I said on a previous occasion that the problem which we face today, and it is one of survival, no more and no less, is a problem that is not of our own making and therefore it is not up to us to offer solutions to this problem; it is up to Her Majesty's Government to offer the solution. But it is not good enough to say the Dockyard cannot close because the Dockyard can close. Oh, yes, it can close. The question is, if it should close what is Her Majesty's Government going to do about it? I believe that it is up to Her Majesty's Government to offer us possible solutions should the Dockyard close and it is up to us then to study these solutions and if we find them practicable, if we think they are viable, if the suggestions are sound, we accept them. If they are not, we reject them. However, what we must insist on is that these solutions such as they might be, work before any closure takes place and one thing that is obvious is that no matter what solutions are offered, the time factor is certainly not long enough to implement these solutions and see whether they work. I believe it is Her Majesty's Government's responsibility to ensure that the Gibraltar economy remains viable and if the pledges of successive British Governments, both Labour and Conservative, are to have any meaning, if their pledge to support and sustain has to have any meaning, Her Majesty's Government must ensure that Gibraltar remains viable otherwise the pledge of support

and sustain could very well become one of purport to sustain. Having said this, Mr Speaker, I would humbly ask the House to forego any acrimony and for the good of all Gibraltar which I am sure we all have at heart, that we unite for ours is a common cause and united we will stand, divided we will certainly fall. I was going to say that we should show solicarity but under the present circumstances I don't think it would be an apt word to use. But, certainly, I can use the word "unite" and I hope that when we leave tonight it will be a united House for a common cause. Thank you, Mr Speaker.

HON A J HAYNES:

Mr Speaker, I would like to make a short contribution. It is a point which I don't think has been mentioned till now and that is the matter of British Nationality. I think that the fact that the British Nationality Bill is safely behind us and to our benefit in favour, is something which we must not forget and from which we must take strength. If we had not won that particular battle how much more despondent would the feeling be in Gibraltar today not only because we would feel more suspicious, more threatened, but also because we would be faced with the implacable and irreversible side of Her Majesty's Government. Yet the fact that we won the Nationality Bill issue means not only that we have a new status, a new pride in our citizenship, but it also means that we have seen and we know how to reverse even the decisions of Her Majesty's Government. I am sure one may say that however important and however dear to most of us the issue of the nationality was, it cannot be compared with the issue of the Dockyard. I would agree that one is a fight of principle and the other of economics but the way, the pattern of the fight, will be identical to that adopted in the matter of nationality and in that one I will remind the House we won as a result of a united House, as a result of delegations from this House going to London and I think, when the time comes, we should consider sending an even larger delegation to London than we sent for the Nationality Bill and, if necessary, all fifteen Members of this House should go to London. As I say, Mr Speaker, the pattern of that struggle was first and foremost a Gibraltar view, a united Gibraltar, and this was epitomised in the leaders who collected together and formed the policy and in the petition which was signed generally throughout Gibraltar and armed with that our friends in Parliament commenced the battle. We all know the various stages that went through and we all know how resounding the victory was in the House of Lords and how the effect of that victory actually undermined Her Majesty's Government's opinion and confidence in her ability to win even the next stage in the Commons. With those friends, fresh from our last battle, satisfied of the victory they last achieved for us, these same people will take up the struggle on our behalf but only if we do two things. One, we provide a united front and in this united front I don't think it is the role of the Trade Unions to

play the lead, and they should be subservient to the House of Assembly, and I would endorse my colleague's remarks that the Honourable Member's motion went a bit too far, so not only must we have the unity of the House and the people, we must also have a re-affirmation of our conviction and faith in the British Parliament. I know my friend probably cannot extend that to the British Government but he should make clear that he extends it to the British Parliament because though the British Parliament may not consist of individuals all to the liking of the Honourable Member and, certainly, people like Frank Hooley are not popular figures in Gibraltar, the fact remains that the individuals of the Parliament have shown their support for us and if we plan a campaign similar to the one that we adopted on the Nationality issue, we will succeed, I am confident of that. But we must show our faith in the British Government even when the going is difficult otherwise our friends in Parliament will not be able to rally the support that will be needed. If there is no conviction in their cry to the Government for a better deal, then we will not succeed and, therefore, I would call on those of little faith like the Honourable Mr Bossano who showed little faith at the time of the Nationality Bill, to listen to our friends and to my colleague, Major Peliza, and to accept a united policy.

MR SPEAKER:

I will now call on the Honourable Mr Bossano to reply to the motion.

HON J BOSSANO:

Yes, Mr Speaker, it is a lot to reply to and I shall try and take the advice of the Honourable Mr Loddie and keep acrimony out of what I have to say despite the fact that I am in an advantageous position of following all the other Members at the moment and having my back covered since I cannot be followed any more by anybody else. I don't think one should mislead oneself, Mr Speaker, and therefore let us be clear to the extent that I am supporting the amended motion and the reasons why I am doing it. I have tried to explain it but I don't want either members of the House or members outside the House to be misled or to misunderstand my position. Whether that position happens to be popular or unpopular is irrelevant, really, I have in my years of political life in Gibraltar known periods of great unpopularity as well as periods of great popularity and I am prepared to face either one or the other when I am convinced in my own mind that I am acting in confidence as I should in protecting the interests of the people of Gibraltar. I don't dispute that other people's motives may be identical to mine but I certainly have the right to question whether the course of action that they want to embark on is going to produce the result they wish, just like they question mine, and I hope that when people question mine they may be questioning the wisdom but they are not questioning or putting

into doubt either the motives or the integrity with which I pursue those motives. I hope nobody in this House would suggest that I would want to see a Gibraltar in any shape or form connected to Spain or coming under Spain or being subservient to Spain or being autonomous under Spain or anything else that can be conceived. I don't think anybody that knows me can possibly believe that I would work for such an objective. But I must say that in my estimation it is Gibraltar that is being intimidated and not the Members of the House by the presence of a few thousand people outside who came here at the behest of the Gibraltar Trades Council in support of a motion which, logically, one can expect them to seek support for because it endorses their decision. It is only natural that the Trade Union movement should seek from the House of Assembly support for a motion that I bring which endorses the decision that they have taken which is to oppose the Dockyard closure, to fight the Dockyard closure. We have had speeches here which are fighting speeches, Mr Speaker. The Honourable Major Peliza started off with a fighting speech and then halfway through it, he comes to the conclusion that we have to be very careful and that we can't afford to spit in somebody's face because we might get a black eye. Well, as far as I am concerned, somebody has just spat on my face and he is not saying to me that I mustn't spit in somebody's face, he is saying to me I can't afford to give whoever spits in my face a black eye because I am too small. I have been small all my life, Mr Speaker, and I have never allowed people to spit in my face so I cannot accept that philosophy, nor do I accept that we gain the respect of the British Government by being willing to put up with whatever they wish to do in Gibraltar because we don't have to as far as I am concerned and the respective sizes of Britain and Gibraltar are not a consideration in this matter nor can I accept that I should be told in this House of Assembly by Members who say they have got more trust than I have in the British Government and more faith than I have in the British Government, Members who have no difficulty in reminding people of the preamble to the Constitution, nor can I accept that I should be told that if I am not prepared to play ball with the policy of the British Government, then I am putting at risk the protection that the Constitution gives me and the protection that the preamble of the Constitution gives the people of Gibraltar. That is unacceptable, that is blackmail, that is intimidation, and we cannot have a situation where we are told: "Well, you either accept the closure of the Dockyard, you either accept a commercial Dockyard or else you are putting at risk the respect for the wishes of the people of Gibraltar on the issue of sovereignty". Because if the British Government is willing to disregard that commitment, and I am not saying that it is, but if it were willing to do it, then they could do it any time it suited them and if we said yes to the Dockyard it will be something else tomorrow. We cannot accept that sort of philosophy, we cannot accept that because we stand up and defend our rights we are going

to lose the most fundamental of those rights which is the right to decide our own future, the right of self-determination, the right not to come under the sovereignty of another state against our wishes, because we will not do things the way the British Government wants them done particularly when it is not a decision which the British Government can legitimately say represents the will of the British nation because, in fact, a very substantial part of the British nation, the Labour movement in the United Kingdom and the Trade Union movement in the United Kingdom, recognises that this puts at risk the existence of Gibraltar, it is a national disaster, it isn't a factory closure. I understand that some clerk in the MOD may be given the brief of producing five million pounds of cuts and say: "Right, we'll take away a filing cabinet from the Admiral in the Dockyard", but I cannot accept that a decision of this magnitude is taken under those circumstances. The Chief Minister has said that he had made it absolutely clear after the White Paper. He may have been taking a line with the people of Gibraltar that there wasn't an imminent danger but privately he was making absolutely clear to the British Government the consequences of the closure of the Dockyard. He has told us that and I have no reason to disbelieve him. The Dockyard study which the British Government is aware of, spells out this implications in no uncertain terms. I have heard Members of the Government side express quite revolutionary opinions in the Governor's consultative committee. It may be that people don't share my view that those revolutionary opinions would be better expressed publicly and, perhaps, I am wrong in my view, perhaps it is right to express them privately and not publicly but I think that quite frankly the pressure is only brought to bear when we convince the British Government that we mean business. The House, in its wisdom, has not been able to endorse a decision taken by the Dockyard employees to oppose the closure. I stand fully behind that decision. I will support it as a Trade Unionist and I will support it politically and I will not identify myself with anything that undermines the opposition to the closure and that I must make absolutely clear, Mr Speaker. I have gone along with this motion because I prefer not to divide the House and I prefer not to quarrel with Members of the House if it can be avoided because they are not responsible for closing the Dockyard, but I will certainly quarrel with them if at some stage in the game they start trying to undermine the will of the people to fight the closure. I will certainly quarrel with them then and I want to be absolutely clear from the very beginning as to where I stand. The Honourable Mr Lodd, Mr Speaker, said it is up to the British Government to offer us a solution, up to Her Majesty's Government to offer solutions and we study them and that the solutions must work before any closure takes place and that it is up to the British Government to ensure Gibraltar's economic viability. I agree with every word, every single word I agree with but we are being told by the British Government that they don't agree with him because they announce the closure

and they have not yet made any specific proposals as to what the alternative to that closure is and because they have tried to create a situation and I am willing to repeat here what I have said whatever the Chief of Fleet Support may say, because I was there, there were other people there, we heard him say it and I wrote it down when he was saying it, Mr Speaker. What was being done was absolutely clear, there was no doubt in anybody's mind. He said at that meeting: "Chatham will close, Portsmouth will be run down and the same is the position for Gibraltar. There is simply no work available and nothing that the Unions will do is going to change that". That was the message of the Chief of Fleet Support. And then he went on to say: "What happens after 1982 depends on you. If commercialisation is what your Government wants we will try to provide some work. There will still be competition for this work but we are anxious to help the Gibraltar Government to start a new industry up to present international requirements if that is the way the Gibraltar Government wants to go". One can make a mistake about what one is saying but what one cannot do is keep on using the same phrase again and again and again, without it being the clear intention to show that what they were doing was being very sympathetic to our predicament and helping us out in the solution that we were putting forward. That is not what we want.

HON CHIEF MINISTER:

I think we have aired this matter, Mr Speaker. I told the Honourable Member that I was not going to sit in judgement, nor was it my business to sit in judgement as to whether what the Chief of Fleet Support said he says or what Mr Bossano says the Chief of Fleet Support said. He knows and he has accepted earlier on today, that the question of the commercialisation of the Dockyard is not the idea of the Gibraltar Government. That has been made clear whatever the Chief of Fleet Support may say, or may have said.

HON J BOSSANO:

Yes, Mr Speaker. I am quoting what the Chief of Fleet Support said because it is consistent with what other people have said and in reference to what the Honourable Mr Loddio said that the position that we should take is: "We are opposed to the closure and if you insist on closing it you tell us what you are going to do about it". That position is the position of the Trade Union movement and it is the position that we must adopt and we cannot at the same time as we are doing that be making ourselves proposals, we cannot be doing that, and therefore I would remind the House that on the 26th November the Press Release from The Convent said "In pursuance for proposals for commercialisation it was agreed that a manual describing the range of facilities etc.". In a meeting with Mr Fergusson, Mr Fergusson is interviewed on television, he is asked "Did you make any proposals?" and he said "No, the United Kingdom team

made no proposals". If there are two sides in a meeting and one side comes out saying "I made no proposals" and there is a joint statement saying there have been proposals it is not surprising that one comes to the conclusion that it is the other side that has made the proposals and that seems to coincide with the allegations that some people are making.

HON CHIEF MINISTER:

May I ask the Honourable Member because otherwise we are going to be here very long. Does he accept my assurance that commercialisation was not the Gibraltar Government's idea that there are three parties to the problem, there is the British Government, the Gibraltar Government and the Study Group Report?

HON J BOSSANO:

I accept entirely the assurance that the Chief Minister has given me and I am trying to show that there has been a deliberate attempt to create the opposite impression and I am very glad that the Chief Minister has made it absolutely clear to the British Government that they should not continue to do this because I think the British Government has been trying to pass the buck and we must not allow that to happen. I am making references to show how I consider there are too many coincidences to be simply coincidences. I find it very difficult, Mr Speaker, to see how the Deputy Governor can go to a meeting of apprentices and say that it seems highly likely that we would be wise to gear ourselves to the changes involved in a commercial dockyard in Gibraltar. I asked him on whose behalf he was saying that and he said he was expressing a personal view. We have had a debate in this House about how controversial it is for a schoolteacher not to have to resign before he stands for election and here we have the Deputy Governor expressing his personal view in public advocating commercialisation which is not the policy of the Gibraltar Government and he is a civil servant. That is another slip of the tongue but there are too many of them and therefore I endorse entirely the view put forward by Mr Loddio but therefore I must make it clear that having endorsed that, having been able and happy to identify myself with the fighting part of the speech made by the Honourable and Gallant Major Peliza, I cannot and I will not at the same time in practice be a party to any watering down of the struggle that lies in front of us. I have to make it absolutely clear that we would be doing, in my judgement, a disservice to the people we are seeking to defend and because I think that we would be doing a disservice I will not be a party to it and if other people do not share my view then that is a matter for their judgement and a matter for which they will have to answer if they are wrong and I will have to answer for my position if I am wrong, Mr Speaker. But I must make it absolutely clear that I think we would be doing people a disservice if we actually embarked on a campaign and tolerated

the implementation of proposals for closing the Dockyard beginning now. Certainly, any attempt to do that will be opposed by the people directly involved. Any attempt by the British Government to start the run-down of the Dockyard will be opposed by the people working in the Dockyard because if they are fighting to stop it they are not going to actually help to bring it about, it is logical, and I certainly think that members should think very seriously if that starts happening before they go along and start pointing a finger at those people and saying that those people are being obstructive or those people are endangering Gibraltar or anything else because they are not. What they are doing is what they said they were going to do, they said they do not accept the closure and the Trade Union movement has said on their behalf that if at the end of the day the Dockyard cannot be kept open for the foreseeable future, nobody either in this House or anywhere else can give an indefinite commitment about the Dockyard or about anything else in life. Nobody can guarantee the future of anything indefinitely but we have been told by successive managements in the Dockyard, by successive senior people from the United Kingdom that the Dockyard is secure for the foreseeable future. They have always said the foreseeable future is as far as we can foresee it today. The last time the Chief of Fleet Support was in Gibraltar he said that he could guarantee that the naval base was secure for the foreseeable future. That is no longer good enough, Mr Speaker. It is not good enough for the simple reason that is what we were being told yesterday about the Dockyard. The time scale of foreseeable future has now been shortened to such an extent that it has lost all meaning and this is why people are saying that if they have done this with the Dockyard today what is to stop them doing it with anything else tomorrow? What guarantees have we got anymore? Are we just going to stay here and let it happen piecemeal? I think that is the genuine feeling at grassroots level and people therefore are prepared to go further on this issue than they have ever gone before because really they feel that they are risking very little. The man who is under threat of redundancy is not risking his job, he either accepts the redundancy and gives up with very little prospect of employment elsewhere or else he fights and if he loses he finishes up without a job which was anyway the fate that awaited him. It has to be understood therefore, Mr Speaker, that the time table discussed on 26 November or just prior to that, which was a timetable broadly acceptable to the United Kingdom team, a timetable of the MOD deciding by the middle of December what land they wanted to keep and what land they wanted to let go, people being invited to tender for the land the MOD wanted to release, the tenders being closed at the end of February or the beginning of March and then a project team being sent out to assess the most viable project or the most attractive tender and an agreement being done by the autumn of 1982 so that the takeover of the Dockyard by a private firm could start then,

that is inconsistent and incompatible with the commitment to oppose the closure, a commitment to make the British Government change its mind, a commitment to put the responsibility on them for finding a viable alternative and therefore as far as I am concerned, Mr Speaker, if that timetable is proceeded with by the British Government, the people whose cooperation is required to make that timetable work will not give that cooperation and I am telling the House as a politician and as a member of this House who has got intimate knowledge of the problem and of the Trade Union movement that I shall lend my political support and my political weight to the attempt to prevent that timetable from being carried out because in my judgement if we actually allow the rundown of the Dockyard to begin in 1982 while we are lobbying people and sending delegations and so on, by the time we actually got round to convincing the British Government it would have happened already and that is an important consideration that we need to take into account. When the Honourable Member was talking about urgency he could not be more right about the urgency of the issue and this is why one needs to be so careful not just about the things one does in an industrial situation but also about the things one says at a political level because I can see the validity of saying we cannot sit with our hands crossed and wait for the Dockyard to close and we are landed with a problem, I can see the validity of that, but I can also see the inherent risk in producing plans which must of necessity make somebody somewhere who is looking at us doubt about just how great our commitment is if we are actually coming up with solutions to a problem which we say we do not have to find a solution to and we are not prepared to accept failure on and are actually producing a whole range of solutions and not even producing them for our own consumption but actually exchanging proposals with the British Government on a situation which would only require the implementation of those proposals if we failed in the task we have set out to do and we are looking at the proposals we have already started. When we are talking about unity of purpose I would agree entirely. Unfortunately, I can see that there are going to be certain fundamental areas where it is going to be difficult for other members to go along with me and for me to go along with other members and I would hope that at best we should be able to avoid the areas of possible disagreement so that we can all channel our energies in different spheres to disagreeing with the party that we should be disagreeing with which is the party that is responsible for creating what in my estimation is not simply the greatest crisis in our history but the crunch for Gibraltar which will decide whether there is a Gibraltar to talk about or live in or be proud of in the future or not.

Mr Speaker then put the question in the terms of the Honourable J Bossano's motion, as amended, which now read as follows:-

"This House condemns the proposed closure of Her Majesty's Naval Dockyard in 1983, takes note of the decision by Dockyard

employees and the Trade Union movement in Gibraltar and in the United Kingdom to oppose the closure and calls on the British Government to reconsider that decision and resolves to take steps, in consultation with the Trade Unions, the main representative bodies and Gibraltar's friends in Parliament, to persuade the British Government to alter that decision".

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

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

The following Honourable Members abstained:

The Hon D Hull  
The Hon R G Wallace

The Honourable J Bossano's motion, as amended was accordingly passed.

The House recessed at 5.05 p.m.

#### MONDAY THE 21ST DECEMBER, 1981

The House resumed at 10.45 a.m.

MR SPEAKER:

Before we start the proceedings of the House I would like to make a statement. At the sitting of the morning of Friday 18 December, 1981, there was an unwarranted and gross interference with the proceedings of this House by Mr Michael Feetham, a pressman representing the newspaper "The People". I have no doubt whatsoever that this interference constituted a grave contempt of the House and an inexcusable abuse of the privileges granted to pressmen by this House. I will not tolerate any behaviour of any kind by anyone which in my opinion would tend to inhibit the right of members to carry out their responsibilities in the House according to their

best precepts or indeed which could affect the dignity of this House. In the circumstances I have decided that the press privileges accorded to this particular pressman are hereby withdrawn and he is banned from entering the precincts of this House until further notice. May I state that the incident of Friday morning should not reflect on the press generally whose behaviour at all times has been exemplary.

#### MOTIONS

HON CHIEF MINISTER:

It is with the very greatest pleasure that I rise to propose the motion standing in my name which is:

'That the Honorary Freedom of the City should be conferred upon Dr James J Giraldi in recognition of his long, faithful and distinguished service to medicine during a period of over half a century and as an expression of the deep appreciation and warmest gratitude of the people of Gibraltar for his unstinted devotion and his concern for the health of the community'.

Dr Giraldi qualified in his profession in 1929. At that very early stage, there were already clear indications of the brilliant professional career that lay ahead. He won a gold medal and several other prizes at Bristol University. He returned to Gibraltar after qualifying and entered general practice. During the war years he served as Deputy Port Medical Officer and joined the Government medical service in 1945. He ran the new Tuberculosis Unit which was then opened at the KGV Hospital and it was in this area of medicine, after a number of years of devoted and successful work in general practice, that he made a very great personal contribution to the health of the community by eradicating the dreaded scourge of tuberculosis. That contribution was not confined to Gibraltar itself. Spanish nationals and others living in Spain benefitted from his skills at KGV Hospital.

Once tuberculosis had been eradicated, Dr Giraldi took charge in 1954, of the Medical Ward which was transferred from Don Ward at St Bernard's to KGV Hospital. Gradually, the KGV Hospital became the Medical Unit.

In 1960, Dr Giraldi commenced a Coronary Care Unit, having obtained a donation from Mr Daldas, which was then named 'The Daldas Unit'. In 1968, Dr Giraldi moved to the Mackintosh Wing at St Bernard's Hospital. A small Coronary Care Unit was established in Victoria Ward and this was later expanded by the opening of the present Intensive Care Unit, the money for which he obtained from the Ferrary Trust. Dr Giraldi was also responsible for the opening of the Endoscopy Unit at St Bernard's Hospital.

Dr Giraldi is too well known a figure in Gibraltar for me to have to elaborate on his personal or professional qualities. He is held in the greatest respect by the thousands of people to whom he has dedicated his skills as a doctor. But, more than this, he is regarded with true affection. Quite apart from his exceptional professional ability, he has throughout his very long professional career been distinguished for his total dedication to his patients. It was never too early in the day for Doctor Giraldi to be at work. It was never too late at night for him to attend to those who needed his help. Having reached a very great height in his profession there was no medical task, however minor, which he was not prepared to undertake at any time. Doctor Giraldi's distinctions are well known in Gibraltar. He became an Associate Professor of Madrid University in 1967, was awarded the OBE in 1952, the French Order of Merit in 1976 and the CBE in 1974. But his distinction and his reputation are not confined to Gibraltar. Dr Giraldi is held in the highest respect and esteem amongst his professional colleagues in Britain and in other parts of the world. I said earlier that there was no need for me to elaborate on such a well-known figure. I think that my feeling and those of Gibraltar as a whole are best summarised and reflected in the act which we are performing today. The Freedom of the City of Gibraltar is a very rare distinction, and the mere conferment of that distinction on an individual says all that there is to be said. Since the City Council was first empowered to grant this honour, it has been conferred apart from the Royal Engineers, The Gibraltar Regiment, the Christian Brothers and the Royal Artillery, on only one individual, the famous Gibraltarian artist Gustavo Bacarissa who received it in 1962. It is a sign of the importance of this honour that Dr Giraldi, when the motion is carried, as I am sure it will, will be only the second person in Gibraltar's history to be singled out for it. An essential element of the conferment of any honour, decoration or distinction is the public acceptability which it carries in any particular case. With Dr Giraldi I feel sure that public reaction goes beyond mere acceptability to warm and general welcome. The distinction is conferred by this House acting as the instrument of the people of Gibraltar as a whole - the City of Gibraltar. I therefore, Mr Speaker, beg to move that the Honorary Freedom of the City of Gibraltar should be conferred upon Dr James Giraldi in recognition of his long, faithful and distinguished service to medicine during a period of over half a century and as an expression of the deep appreciation and warmest gratitude of the people of Gibraltar for his unstinted devotion and his concern for the health of the community. I beg to move.

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

HON P J ISOLA:

Mr Speaker, I have great pleasure in supporting the Chief Minister's motion on behalf of my colleagues and I. It is

particularly a matter for great personal satisfaction for me, as the son of a great friend of Dr Giraldi, to be associating myself fully with the remarks made by the Chief Minister of this great son of Gibraltar who for a period of over half a century has done so much through his dedicated service and loyalty to the people of Gibraltar, for Gibraltar. I think it is highly appropriate that at this time in his career the people of Gibraltar should give due recognition to a man who has spent a lifetime in the service of the people. I wouldn't want any Honourable Member to think that that is the end of Dr Giraldi, I am very happy to see and I am sure all our colleagues in this House are very happy to see, that he does continue this great work although only in a private capacity and we look forward to having him with us for many years continuing to do the good that he has done for the people of Gibraltar in his field during this half century. I think, Sir, there are at least two Honourable Colleagues in this House who have not lived that long yet.

HON CHIEF MINISTER:

There are five.

HON P J ISOLA:

Are there more than two? Yes, five. I think it is a wonderful thing for Gibraltar, I think it does great things for our morale and for our spirit to be able to honour a person who has served Gibraltar with such dignity and with such dedication over such a long period of time. Mr Speaker, I fully endorse what the Chief Minister has said and I have great pleasure in supporting this motion and in supporting it, wishing Dr Giraldi and all those close to him a long and happy retirement.

HON J B PEREZ:

Mr Speaker, I have no hesitation at all to support the motion before the House. Only the other day it was pointed out by Dr Giraldi that he has been in the Medical Department for well over 40 years and as I am only 29 it is 11 years before I was born. Mr Speaker, I think that Dr Giraldi has been one of the stalwarts of the Medical Department for a very, very long period of time and this motion before the House, this proposal to confer the Freedom of the City has been handsomely earned by him and it is one which I am sure all Members will in fact support. Last Friday, Mr Speaker, I had the honour to host a reception for Dr Giraldi on behalf of the Medical Department and I was explaining to Dr Giraldi how difficult it is, or how difficult it was for me to be able to say a few words about Dr Giraldi himself. The reason I said this was because I feel it is very, very difficult to be original nowadays when one is saying things about Dr Giraldi because ever since his retirement was announced, not a single week has gone by in Gibraltar

where one association or one society or another have not hosted a reception in his honour on his retirement. But I think Mr Speaker, that on this occasion all I can say is that there is no need to say any words, the motion speaks for itself, and it is a motion that gives me the greatest of pleasure to support.

HON G T RESTANO:

Mr Speaker, earlier this year, during the Budget Session, when I didn't know that we would have this motion in front of us, I said that I wanted to pay tribute then to Dr Giraldi before his retirement as he is one of the pillars of the Medical Department. Dr Giraldi has so many qualities, Mr Speaker, that I won't go into all of them but I want to highlight two of them. The first one, the dedication of Dr Giraldi. He is a doctor who is a doctor for 24 hours a day. He is a doctor who devotes all his time to his patients. At any hour of the day and of the night he is prepared to go and see his patients and also to make research so that he can cure his patients. Secondly, I want to highlight his ability to inspire his patients. All that Dr Giraldi needs to do is to enter into the patient's room for that patient to feel better already. Mr Speaker, Dr Giraldi is one of the leading citizens of Gibraltar and it is only fitting that he should be granted this honour. It gives me great pleasure, therefore, Mr Speaker, to support fully this motion.

HON FR R G VALARINO:

Mr Speaker, Sir, I am completely in agreement with this motion as moved by the Honourable and Learned the Chief Minister. It is indeed an honour for our city to be able to confer upon Dr Giraldi the Freedom of the City of Gibraltar. Dr Giraldi has developed his life around his medical practice which has been his dedicated work and overriding passion. He has been of great help medically to everyone in Gibraltar, specially during those many difficult years when tuberculosis was present. I am also very proud that this distinction should be conferred on a colleague who I know well and have got to know very well both personally and professionally. As one of the first who voiced this idea and as his only colleague in the House, I have the greatest of pleasure in endorsing the motion. Thank you, Sir.

HON MAJOR R J PELIZA:

Mr Speaker, this is one of those occasions where I cannot resist standing up and expressing a view. It is perhaps one of those rare occasions when I can literally say that I agree with every word the Chief Minister has said and that of the Opposition as well, Mr Speaker. Perhaps, I should at this stage declare an interest, Mr Speaker, in case anyone might think that in standing up and supporting this, I am almost bribing Dr Giraldi, because I remember when he first came to

my house, I must have been very young. I won't say my age because I don't want to make him look any older, in fact, he looks very well. I can almost hear him running up the steps, he always used to run about, I think he was a very agile and still looks very agile. I think my parents were one of his first patients in Gibraltar. It is one of those families which owes Dr Giraldi a great debt of gratitude. He saved my father's life and he enabled him to carry on living for many more years to a ripe age. He did the same thing to my mother and to my aunt, and I am sure that there is hardly a family in Gibraltar who hasn't got the same gratitude to offer to him. What, therefore, Mr Speaker, more appropriate that his honour should be that of the people of Gibraltar. Many honours can be given in other places, higher or smaller, deserving or underserving but I think the greatest honour a man can have is that which comes from the people that he served. The Freedom of the City is such a rare honour that I doubt whether there is anything more than we can do. But I think if we analyse Dr Giraldi, it is more than just talking about an achievement of an individual, Mr Speaker. We all know that he has a tremendous brain, a great capacity to remember things and then to put them into practice. But the beauty of this is that he has applied that to what men perhaps looks most to - life. He has given his life to life in a practical way and this is why, Mr Speaker, the people of Gibraltar think of him so highly because obviously health is worth much more than wealth and he has been the provider of health in Gibraltar. We have seen what he has done in the two greatest killers, chest and heart. In that field, Mr Speaker, he has done tremendous work in Gibraltar. I doubt, Mr Speaker, whether if we could be able to quantify proportionally in the world there might have been other people who have done as much as he has done, it is of course impossible to quantify but we all know that Dr Giraldi has done tremendous work here and I think this generation and generations to come will always have tremendous admiration for this man. It is therefore very appropriate that we should place it on record in the way that we are doing so that as old generations move and new generations come, his name will live forever in Gibraltar as an example to others of how they should follow in his footsteps. One point that has not been mentioned, Mr Speaker, is the question of his dedication to sport as well. When you mention Calpe Rowing Club you are almost saying Dr Giraldi. I think he has played a tremendous part in that sport and I believe that in other sports too, such as hockey and cricket. I don't know whether he ever had anything to do with water-polo, I don't think so, but I think Mr Speaker, that perhaps he is the inspirer of another thing that is very good for our body which of course as you know I take very seriously, I do my jogging every day and cycling as a lot of other people do, but I think he does understand the importance of our health which again people should bear in mind, to carry on looking after yourselves.

After all, we look after our cars and we often very seldom think of looking after ourselves in that respect. I would say he is the great Gibraltarian in our time and for that it is more than fitting Mr Speaker, that we should pay this tribute which I hope, Mr Speaker, without addressing any person in the public gallery today, that he will enjoy it for many years to come and perhaps we should wish both him and his wife a very happy Christmas and also his family in the United Kingdom who I am sure will be very happy and pleased on this occasion. A very happy Christmas and many more Happy New Years.

HON H J ZALMITT:

Mr Speaker, Sir, the Honourable Major Peliza stole the sporting side of Dr Giraldi's tribute from me. He has been one of the most outstanding contributors to sport over many, many years. I was in England in 1961, attending a pretty important party, when someone came over to me and seeing a Gibraltar tag said to me: "Do you know Professor James?" and I said: "I am afraid I don't". This gentleman happened to be the President of the Royal College of Physicians in England and he called his wife over and said: "Darling, what is Professor James' name?" and she said: "Giraldi". And I said: "Of course I know him, I know him very well indeed". "Well", he said: "he comes over here and gives us all lectures and talks, and tells us what to do". It made me feel immensely proud and I remember telling Dr Giraldi shortly after this person's name, which I cannot now recollect, I am sure he can. It made me very proud that little Gibraltar could have a physician of such eminence as Dr Giraldi who could show other people the kind of calibre that this little Rock can produce. Mr Speaker, apart from his medical attributes which have been expounded upon very amply, I think it has been said he is a leading citizen of Gibraltar. During my time as Mayor and looking round the photographs in the City Hall, I noticed he had been a City Councillor. One wonders how a man so deeply engrossed in medicine could find time to carry out his sporting activities, his Council activities and all the other activities that this man has so ably been able to carry out and at the same time in every single thing he got involved in he was always highly respected. There are few people that could criticise Dr Giraldi, certainly not in his medicine or in his leadership in the very many associations that he has participated in. Dr Giraldi was for a period of time Chairman of a body called the Gibraltar Sports Board which goes back many years and I think there was some particular problem whereby he was asked to take over and try and sort out the very many problems that Gibraltar was going through at the time with regard to sport. I think the highest possible honour that Dr Giraldi can be given, certainly by Gibraltar, is the Freedom of the City, of a City he loves so dearly and and a City that he has brought about to be what it is today.

HON J BOSSANO:

Mr Speaker, my party is glad of an opportunity that is given to the House of Assembly to express the appreciation felt by the people of Gibraltar for the services it has received from one of its most dedicated members. Mr Giraldi does not really need any honour from us or from anybody else because he is a man that is motivated by the highest honour that one can have in life which is that of being devoted entirely to one's calling. Anybody that has known him personally at work knows that he suffers from an illness himself and that is that he is totally addicted to work to an extent that many people would probably find intolerable if it wasn't for the fact that the nature of his work is such that it can only result in giving satisfaction to others, to those who are his patients and to the relatives and families of those patients who are appreciative of the good hands that a member of their family is in when he is being looked after by him. In proposing this motion and in voting on this motion effectively all that we are doing is being given an opportunity of saying publicly and of putting on record how the vast majority of the people in Gibraltar feel about Dr Giraldi but it is difficult to see how we can really look forward to Dr Giraldi enjoying in his well-earned retirement the Freedom of the City of Gibraltar. He already has the freedom of the hearts of the people of Gibraltar and I cannot see him marching up and down Main Street when the Royal Engineers or anybody else does. In terms of scale of honours let me say that ideologically I am not the sort of person that believes in status or in privileges or in honours or in the need to confer them. It is the reality of life and of human nature and it will probably continue to be the case for very many years that it is not enough to know that one is appreciated, that it is necessary that that appreciation should be recorded and made manifest. I wish it were in our power to be able to use the system of honours that exist in the United Kingdom and to give Dr Giraldi, within that system, the highest honour that can be given to the extent that the Gibraltar Government is in any way consulted or in any way able to make suggestions in the question of Her Majesty's Honours List, then I think the Gibraltar Government should have no hesitation in the full knowledge that it counts with the full support of this House and indeed of the whole of Gibraltar of using that avenue. If it were possible in Gibraltar to use such a system then Dr Giraldi's place should be at the top of the list. We are doing what we can, it is a very limited thing, I think Dr Giraldi does not need the honours that this House or anybody else can bestow on him because as I said already anybody that knows him knows that the satisfaction that he gets from his work and that he has had all his life from his work is all that he requires and is all that anybody anywhere else should require and eventually we hope to live in a world where that is all that will be necessary. I fully support the motion, Mr Speaker.

HON M K FEATHERSTONE:

Mr Speaker, the Freedom of the City entitles The Gibraltar Regiment, for example, to march up the street with bayonets fixed. I am not sure if Dr Giraldi will march up the street with an unsheathed lance but if that were the case then I am sure everybody would be happy to see it done. I am very proud today to have served with Dr Giraldi as a City Councillor. I think that if the City Council had been on the United Kingdom system, Dr Giraldi would, in turn, have been one of the Aldermen and would have gone from strength to strength. I have known Dr Giraldi for some 40 years. He has been my doctor and he has been my friend and I think that one of his greatest attributes as a Doctor is that he puts you fully at ease from the beginning, you have entire confidence in him, he becomes your friend as well as your doctor and I am extremely happy to see that Gibraltar has been able to honour him in the highest way we can. It is something most eminently deserved and I join with everybody else in wishing him many years to be one of our great Freemen, a Freeman of Gibraltar.

HON A T LODDO:

Mr Speaker, most men go through life and leave not their mark, they leave no trace. Most men go through life doing a job. Most of them do a job grudgingly and grumbling. Occasionally you get a man who stands head and shoulders above his fellow men. He doesn't just do a job, he excels at it. He doesn't just excel at it, he does it with gusto, he enjoys it, and such a man is Dr Giraldi. Of his attributes everybody has spoken before me so I have very little to add. I am very pleased to associate myself with this motion and I would thank Dr Giraldi, on behalf of all of us here, for what he has given us. He has given us an inspiration to live up to. If we could all be as dedicated as he, Gibraltar would be a better place. I fully support the motion.

HON CHIEF MINISTER:

It is not difficult to answer in a motion such as this. First of all I want to make one or two points clear. The disease which Dr Giraldi suffers is now called workaholic and that as the other one which sounds a little like it, is scarcely cured so I think we shall have Dr Giraldi a workaholic for as long as he lives and that will be for the benefit of Gibraltar as a whole. I also have very happy associations with Dr Giraldi as a City Councillor for a very long time. I appreciate his contributions to sport and it is very proper that they should have been mentioned here. My main thesis, because the claim to the Freedom of the City is so unique, I dedicated my whole approach to his services to medicine lest we have other people claiming the Freedom for this or the other and that would be a very difficult one. With regard to the remarks made by the Honourable Mr Bossano I can assure Mr Bossano that the highest

honour that can be given in other places has been requested for Dr Giraldi and it is really not in the patronage of the Government to go beyond that but to go quite as far as one can go in that respect. It is fitting that so many members should have paid tribute. I hope he will outlive his one and only predecessor who lived to the age of 97, that was Mr Bacarissas but I remember Mr Bacarissas who had been honoured in many ways in many countries despite the fact that he kept his British nationality, he had been highly honoured by Spain, he had been made a Freeman of Seville long before he was made a Freeman of Gibraltar. He had been allotted a beautiful penthouse so that he could have a lovely view of Seville and he could paint from his flat and I remember him on the day when the Freedom was formally granted by the Mayor, himself at the time, telling him in visible emotion that of all his experiences that he could not feel more honoured than being recognised and being so honoured by his fellow citizens and I think that must be the greatest satisfaction that it is within our power to do so and that we do so so happily.

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

#### PRIVATE MEMBERS' MOTION

HON A J HAYNES:

Mr Speaker, I am afraid this motion will not be as happy as the last but it is within the ambit of the Minister for Economic Development's statement that the Opposition should keep Government on their toes. I have the honour to move the motion standing in my name which is that: "This House is gravely concerned at the continued and escalating housing problem in Gibraltar and fears that the problem will only become worse unless Government is prepared to re-appraise and revise the direction of its housing policy and programme as a whole and in particular as regards (1) modernisation and development (2) Social cases, medical cases and young applicants, and (3) the administrative structure of the Housing Department". It is therefore, Mr Speaker, quite a full motion and the motion is asking this House, and more particularly Government, to take a fresh look at housing because the sum total of the three areas listed in the motion as being in need of reassessment are equal to the whole of the Housing Department. The change therefore must be a radical change because the motion is phrased in radical terms. It is major improvements that are requested, not minor, and therefore we are asking for a radical reassessment. It is because of this, Mr Speaker, that we would ask Government to re-define their obligations, duties and aims and these must be clearly stated. I should say that the need for clearly stated policy is one of the shortcomings in this Government. When we do have a clear statement of policy and a detailed

analysis of Government's obligations and the rights of applicants, then we will be some way towards alleviating the housing problem. This brings me to the premise contained in the notion which is that all is not well with the Housing Department or the Housing front. I do not think that this can be disputed by any member in this House. I would say that it is the consensus of all Gibraltarians that we have an acute housing problem and if there should be any doubt that is is a continuing and escalating housing problem I would ask the Government to analyse the importance of having 1,800+ families on the waiting list. This is a figure, Mr Speaker, that does not seem to move, it is a stagnant figure. Since I have been in this House the figure has been 1,800, take or add a few, and that of itself is a cause for alarm. Not only is the figure very high in itself but there doesn't seem to be any inroads being made on that figure and this of course is due to the impoverished housing programme of this Government which is particularly severe in its effect on the younger people in Gibraltar who when they join the list join the bottom of the list. Another problem, Mr Speaker, again deriving from the same, is overcrowding and this in itself has another result which is greater stress within families which leads to medical problems, social problems and further degenerates the housing problem. Again, Mr Speaker, there is substantial sub-standard accommodation in Gibraltar and this is also derived from the same and leads to another problem which is the medical problem. Most of all, Mr Speaker, I would say that the housing problem is particularly acute and particularly hard on the youth of Gibraltar. By the youth I mean children, not on the housing list as such but living in poor accommodation and being subject to severe strain or stress and most especially being open and liable to medical problems on which I will elaborate further, and also to the youth in respect of the younger married couples. Very little is being offered to them and the longer the problem remains one of 1800 on the waiting list and nothing being done about it, the worse the problem will become. As I said, Mr Speaker, the three areas, provided of course the Government agree to this analysis of the problem, the three areas which I believe need revision in order to do something about those figures, are first of all modernisation. I believe the Government has fallen into the pitfall contained in a policy of modernisation. The necessity for modernisation cannot be doubted, we on this side of the House do not oppose modernisation in principle but there can be no doubt that modernisation has a substantial number of pitfalls and, unfortunately, this Government has fallen headlong into all of them. Modernisation may be necessary, it may even be cheaper, but it is difficult to control, Mr Speaker. I think the Wyles Report of 1970 was very instructive on the subject and it understood the latent defects. Amongst those difficulties and one in which this particular Government has fallen to, is that modernisation can and in fact has drained the energy and the resources of this Government in respect of housing. Mr Speaker, this is a very

important statement, I believe. I believe that what has happened is that modernisation has been the god of housing for the last five or six years and that as a result very little else has been done and this has exacerbated the problem because modernisation only helps a section of the community and not those who have necessarily been waiting longest on the Housing list. It is therefore arbitrary and random in the people that it helps and is not a step forward, it is a step sideways. You are bringing up to standard accommodation which already exists, you are not generating new accommodation and another problem in modernisation is that where a house can, say, hold six families before modernisation, after modernisation it is often the case that it holds less people. Perhaps, that is all it is meant to hold but what in fact is being done is that five families have been brought up to standard and one more has been added to the waiting list. That would be alright if there wasn't a substantial waiting list or a waiting list only required a certain minimum period in which to wait before being allocated a house but that is not the case in Gibraltar, Mr Speaker. And then, lastly, modernisation, I would say, is an administrative quagmire and that is why it has resulted in Government's energy and resources being drained. Modernisation of an area like the Upper Town Area results in the dispersment of your labour force, dispersment in small groups, Mr Speaker, which are difficult to control as a composite whole, are difficult to supervise as separate individual entities because they are all lost in different buildings or this room or that room, and it is difficult to give executive decisions of a cohesive nature in respect of many of the problems they may come across. It is difficult to assess in modernisation the extent of the work before it is undertaken, it is very difficult to quantify. It is difficult also to assess the time needed in order to do the work and practically, Mr Speaker, the administrative problems which I am referring to are better understood if one compares these problems with those which can be expected on a new building site, that is, where there is razed ground and what the constructors are doing is making something new. There again you may have some fraction or breaking up of your workforce but it is totally different in concept. There is much more facility for overall control. It can be seen, you can see the building grow, you don't lose your workforce in a building which is already there and that at one point it is less large or more walls are there, you can't see what is being done in a modernisation programme whereas on a building site with a new building you can see it progress, you can see how you are going, you can anticipate your problems with more clarity. I am not saying that a new building programme hasn't got any substantial problems, it definitely has, but in modernisation these are even more apparent. Mr Speaker, in short, this Government has bitten off more than it can chew by following the modernisation programme that it chose to. I would say that the modernisation programme has not been a success. We are in its fifth or sixth year and we are told that in this last year twenty one families have been housed as

a result of the modernisation scheme. Mr Speaker, if that is the fruition of all these years, it hardly needs further emphasis. We are in a sorry state where 21 families of your major development programme is all that you can produce for new housing. I wonder, Mr Speaker, how many families were moved out to provide these homes and probably the answer will be in excess of 21. The modernisation scheme has, for the claims that the Government makes about it being cheaper, has absorbed a large element or section of the public purse and hasn't been properly accounted for in that the results have not been up to standard. It has done very little for the overall housing problem in Gibraltar, Mr Speaker. Some people have benefited but I believe that the price has been too high. The housing problem has been particularly acute, as I said earlier, for the last two years and I say two years because I have been in this House for the last two years and in that time there has been little change but, in fact, it is more than two years that it has been as it is now. The acute housing problem which we have dates back to 1975, 1976, since the Varyl Begg houses were last allocated. It has been with us now for about six years in its present form and it is significant that the housing problem has been as it is now for the last five or six years because it is five or six years since we had any major or substantial housing project. I know we in the opposition are always asking for a major housing project and this seems to be ignored by Government but there can be no doubt that the only way to make inroads on the waiting list, the only way to do something about the housing problem is to involve yourself in a major housing programme. Of course, even before Varyl Begg, I am not saying everything was rosy before Varyl Begg, we had severe problems before Varyl Begg. I am not the official historian for this Government or for Gibraltar's last post-war period, but I would say that the Government in broad terms took on the responsibility for housing after the war and its answer then was the Alameda Estate and obviously then they were faced with a backlog in housing terms and of course a further substantial housing burden was developed on the Government of the day at the time of the closure of the frontier and then we saw the emergence of the Town Range Transit Centres. What I am saying, Mr Speaker, is that these substantial problems have affected and even affect today our housing problem but they have been tackled by previous administrations in one way and that is through the Humphreys, Moorish Castle, Glacis, the Laguna, the Varyl Begg, and all the other estates, that is the only way to tackle the housing problem. If today we had been faced with any of those two problems, with any of those sudden and unexpected backlogs that a Government can be faced with, we would today be in a far worse position and without a Government able or even ready to tackle those problems. We are thankful, Mr Speaker, that we haven't come across any natural disasters because this Government is already sorely stressed even with a normal housing problem and they have allowed it to escalate to the proportions that it has. The only way we can answer our

housing problem is through major new development. Government has strayed from the straight and narrow and we are asking that they reassess their position. We believe that the programme that they should formulate should have as its central pivot of policy new development and that as subsidiary arms to that development we should have modernisation because it is a necessity, we should have our rehabilitation also, we should have a more flexible approach to modernisation with new schemes being introduced as trial schemes in order to see if they are more successful than the present modernisation scheme. I would like to see greater participation by the people involved in modernisation as to priority listing, as to any compromise that it has to make. I believe modernisation is an extra service for which there will be much approval and which will naturally result in cooperation by those affected if it is approached in the right manner. I feel that the modernisation scheme does not take this into account, is fairly hamfisted, it has resulted in other problems which I will refer to later but I am not saying that it should be done away with. As a secondary part of that programme also we should have schemes as that outlined by the Minister for Economic Development which I am very pleased to see have been introduced though I am not confident that the Government is going to succeed in it, and other schemes like this. The Government will also have to reconsider the question of zoning in Gibraltar, the height of buildings and the furtherance of home ownership. The modernisation scheme must be small in proportion with its need within society and small also to further facilitate its overall control by Government. That is the only way you can do it, one area and small. But these general indications as to how we would improve the housing problem or how we would ourselves tackle modernisation and development, I will further expand on if I am given a clear indication by Government of a genuine interest of desire to treaty on this matter and to exchange ideas. At this stage we are not quite sure how they are going to receive this motion and I shall reserve my position. I will say that modernisation has resulted in a large number of houses being made vacant and these empty houses in preparation for a modernisation scheme which has never happened, have further exacerbated the problem. There can be no doubt of the number of houses which have been emptied in vain anticipation and these are listed in this rather long list of empty houses given to me as a result of questions. The Government should be doing something with those houses rather than leaving them waiting for the next four or five years or however long its going to take. It should also be noted that the people who have been moved out in a hurry saying: "We are going to modernise this building next year or in six months time, we have to move now" have been put to considerable hardship and its been for nothing. With the 1800 people that we have on the housing list who are urgently in need of a house, how can anyone explain away the existence of almost 300 empty houses which they cannot in any way occupy? Government is itself adding to the fires that burn in the people and their anger at the Government's dealing

in housing. This brings me to the second area which needs revision, the social cases, medical cases and young applicants. The fact that there are a serious number of social cases in Gibraltar is alarming. Primarily, Mr Speaker, because these are due to stresses from their housing conditions and they are all otherwise healthy, sane young people and these are subject to unbelievable pressures. Being recently married obviously brings its own problems, it is a difficult time in life when you have to negotiate and come to a compromise in terms of behaviour. If you are not allowed to do this in the privacy of your own house, if you have to live with others this is more difficult. If you have to live with others and sleep in appalling or cramped conditions that makes it impossible, and if as in fact does happen, you have to live apart or sleep apart, it is intolerable, Mr Speaker, and we have social cases of this nature. Are they dealt with immediately? No, Mr Speaker. This last year has been particularly bad as regards the Family Care Unit reports. There has also been some insensitivity in processing housing cases and this is something that I am certain should be eradicated and can be eradicated by the Minister. The Minister should take every care to see people personally whenever possible and he should be as careful in explaining their position as possible. That brings me to another problem. We are, regrettably, in a limbo stage in which the Department finds itself without clear indications as to who is the Minister. I hope we on this side of the House will be as helpful as we can on this matter because it is not a matter which gives us any pleasure or in which we have any interest other than a genuine interest that the matter be tackled as soon as possible. My personal predicament is that at the moment I am unable to attend to those individuals who have come looking to me for help and they have been stalled by me for the last two months and this is against my nature but as I said I am not prepared to at a personal level compromise the present Minister. However, I would like some help from Government in this respect and I think that I have been both fair and cautious in my approach to this genuine problem. This brings me to medical cases, Mr Speaker. I have asked questions on medical problems in the House and have not been given a full or satisfactory answer but I am confident that what I am saying cannot be denied by Government. The extent of medical cases in percentage terms is extremely high. This itself is worrying but what is appalling, Mr Speaker, and I don't know if it is a well enough known point is that the incidence of bronchitis in children is alarming. I just kept on seeing bronchitis, bronchitis and it didn't mean anything to me until I was informed that the principal cause for these cases of bronchitis is the dampness and the poverty of the living conditions of the Gibraltarian and it is particularly harsh hitting on children. Then at a later stage after I discovered this I saw a letter written by a young doctor at the Health Centre, commenting on a patient of five or six years of age. He again analysed there that the problem was bronchitis, that it was due to appalling

camp living condition and he went on further to say that this illness had been completely or almost completely eradicated in the United Kingdom, so much so, that when he studied this illness at medical school he had only been able to study it in text books, there had been no patients for it. And yet here he came and he found one after the other these children with this problem. Not enough, Mr Speaker, is being done to attend to the parents of these affected children. Again, I find insensitivity in this area and that should be totally unnecessary. I am always left speechless when I am told by individuals that they have been treated with insensitivity at the Housing Department, I can't understand it. Surely, there is a ministerial aim that should be put first and foremost, give a good service. You pay for it at the elections if you don't. Then we come to the young married people, an area of particular concern because the youth of Gibraltar are the future of Gibraltar and if we do not make provision for the future where are we, Mr Speaker? Of course, as I said earlier, it is the young married couples who are at the bottom of the list, who have the least hope and who are actually told by the Housing Department: "I don't know why you bother, you'll never be given a house". That is another area of insensitivity. This will lead, if it hasn't already started, to a brain drain in Gibraltar. The youth, when faced with no prospects as regards housing will be given no option but to leave and that is a problem that must be considered by this Government. I ask that Government make every effort to ensure that further incentive schemes like that proposed by the Minister which will only help two or three families, be introduced. I think the Minister's statement for development of the Government properties by the private sector underlies his own awareness of the problem but how can he possibly hope that three or four houses will solve the problem.

HON A J CANEPA:

Mr Speaker, if the Honourable Member will give way.

HON A J HAYNES:

Certainly.

HON A J CANEPA:

Has the Honourable Member read the statement properly, has he read the answer that I gave him to a question earlier in the proceedings? Would he care to have a look at the figure leaving out City Mill Lane, and tell me what that figure is?

HON A J HAYNES:

Mr Speaker, I don't have the figures in my head, I remember that it was only three or four.

HON A J CANEPA:

It was thirteen. The answer that I gave him was thirteen, leaving out City Mill Lane. I said we were dealing with a total of thirteen units.

HON A J HAYNES:

I hardly see that thirteen or four will make any difference when you have got eighteen hundred on the waiting list.

HON A J CANEPA:

Mr Speaker, but thirteen is not two or three. It is four times that and either we give the correct figures that have been provided in this House in answer to questions or the whole thing is a travesty if we are just twisting facts.

HON A J HAYNES:

I am not twisting facts. This is why I was prepared to give way. If the Minister is so angry ....

HON A J CANEPA:

Of course I am angry because you are twisting facts that I have provided for you in this House.

MR SPEAKER:

Order.

HON A J HAYNES:

You are angry because you have been told the truth.

MR SPEAKER:

Will you stop talking across the floor of the House and address the Chair. You will not give way again.

HON A J HAYNES:

The Minister's violent interruption only assures me that I am hitting on the point, Mr Speaker. Why would he jump up and down when it is three or four instead of fourteen.

HON A J CANEPA:

Mr Speaker, if the Honourable Member will give way. I will jump up or down, if he is not giving way then I won't of course.

HON A J HAYNES:

You will have your opportunity to answer this motion and inform me of any other travesties of facts.

HON A J CANEPA:

Mr Speaker, I warn the Honourable Member that I will deal with him on any other future occasion in exactly the same way myself.

MR SPEAKER:

Order.

HON A J HAYNES:

Mr Speaker, this brings me to the fact that there are 256 empty houses and not just 13 for the Minister to get on with and let him come up with some facts. Then we come to the administrative structure, and the problems ensuing from such. There is a need for revision in this area if Government is to reassess their housing programme. I would suggest that the administrative structure lack cohesion. We have four ministries involved in the Housing Department and that at crucial level there tends to be or it appears that there tends to be a lack of unison of purpose, there is the Minister for Economic Development who is in charge of the overall development policy, there is the Minister for Public Works who does the work in that respect, then there is the Minister for Labour and Social Security in charge of the Family Care Unit and then lastly, the Minister for Housing. He seems to have the least control or power over a housing policy and yet is there to take the knocks when the policy doesn't work out. I find that unsatisfactory, Mr Speaker. Just take the Family Care Unit alone. The fact that we had to wait so long for reports to be given and one Minister saying it is not his job, it is another Minister's job, that is not satisfactory, Mr Speaker, especially if one takes into account the importance of the individual complaint. One Minister should be in overall control of the whole housing policy or programme. He should be able to cut through the red tape between one ministry and another and now that they have told me that they do have such an overall authority then why haven't they been using it, Mr Speaker? I believe that there is not that cohesion, there must be more cohesion. Also, on the administrative structure, Mr Speaker, we have the Housing Department Committees which seem to be doing very good work and are, I hope, firmly in command. The DPBG have in their manifesto and on all other occasions given full support to this system and I would like to have this opportunity to state my wish to act as an observer on at least one occasion for both of these Committees. This has been the subject of correspondence and I would like an

answer from the Minister. Then we come also to other administrative structure problems, the waiting list figures, given to us after months of requests by the Opposition they suddenly announce that they will provide a list of five in respect of each of the departments. Mr Speaker, I remember when we first asked for this facility to be offered or given, we were told that it was impossible because the changes that occur on a daily basis are such that it would require either their whole team to work them out and yet, Mr Speaker, we have almost the same names appearing month after month after month. I don't think that this can be in any way called a travesty of facts and if the Honourable Minister for Economic Development has not seen then I would invite him to examine these figures themselves and if that is the case it not only reflects that there is not much movement in terms of housing but that the Government can produce longer figures and we have been told now that there are, in the various categories, 155 bedsitter applicants, 432 two rooms kitchen, bathroom, 657 three room kitchen and bathroom, etc. We would like to see these figures put in the waiting list, in their terms of priority. Mr Speaker, to wind up, I would ask the Government to take these problems which I have enunciated in the spirit in which they are delivered and not so far as they have been responded to by the Honourable Minister for Economic Development. I would submit that perhaps the best way to start is with a new Minister, a fresh start. I would certainly say that they need a new policy. I don't think I need to emphasise further the threat that the housing problem means to the youth of Gibraltar and the need for this problem to be tackled. We, on this side of the House, Mr Speaker, have no message for those who ignore these housing problems in the hope that they will simply go away. If the Government adopts an unthinking policy of ignoring the problem, it is the youth and not the problems who will go away. We are not saying that we have all the answers, Mr Speaker, but at least we have the courage to face the facts, to identify the problems and to encourage Government to do something about them. Having said that, Mr Speaker, I await with trepidation the answer by the Minister.

Mr Speaker proposed the question in the terms of the Honourable A J Haynes' motion.

HON A J CANEPA:

Mr Speaker, I will be dealing myself with the elements of the motion dealing with modernisation and development and then my colleague the Minister for Housing will deal with the wider issues. It is extraordinary, Mr Speaker, how people can stand up in the House and accuse the Government of being insensitive and then perform and behave in the manner in which the Honourable Member opposite behaves regarding personal insensitivity. If the way that he twists facts and the way that he just callously rides over the intervention which one makes to try and rectify that wrong impression is indicative of the way

that he would just deal with individuals where he ever to find himself in the position of Minister for Housing, then I honestly don't know what there is to look forward to. Let me warn the Honourable Member that I will not in future take the same care as I have taken in preparing answers to questions which he puts where factual information is involved.

HON A J HAYNES:

Is that a threat, Mr Speaker?

HON A J CANEPA:

I am not giving way once to the Honourable Member opposite, Mr Speaker. There were earlier in this session two questions that required a great deal of work by top civil servants and myself. One in which I made a very detailed statement on the Port, which I could refused to have made having regard to the fact that I made a statement in July and, secondly, again the very detailed answer that I gave him with factual information on the redevelopment by the private sector of Government housing. But if thirteen becomes two or three then, Mr Speaker, thirty million can also be twisted by the Honourable Member in whatever manner it suits him. I don't do that in the House. Perhaps because it is my background as a mathematician to stick to the facts, I do not twist factual information and I resent when that is done and I resent when it is done for a shameful political purpose. At least one thing that the Honourable Member cannot say is that when they deal with me they do not know on what grounds they are dealing with and what are the principles that I subscribe to. The Honourable Member has failed to put the problem of modernisation and the building of new housing in its true and in its proper perspective. He has spoken glibly of the need for a major housing programme such as another Varyl Pegg Estate as if the cost of such a programme was peanuts and as if the money for such a programme was readily available. Of course we would like to build seven hundred, eight hundred, a thousand houses if that were possible. Which Government wouldn't want to do that? It is popular apart from anything else but not only does Gibraltar itself not have the resources to undertake such a programme, but let me warn the Honourable Member and let me, in passing, warn the public, that there is not a great deal of sympathy in the Ministry of Overseas Development for Gibraltar's housing problem. If he doesn't want to accept that then he can behave in the manner that he has behaved here this morning. But, if it is a reality of life, then our ability to overcome what is our greatest social problem is very, very limited indeed. You cannot, Mr Speaker, build without bricks and mortar and Gibraltar at the moment is limited in the extent to which we have those bricks and mortar. A major housing programme of the size of the Varyl Pegg Estate would, at a very conservative estimate, 700 units, by conservatively not allowing for inflation at all, at £40,000 per unit, entails the disbursement of £28m. The tenders for St Joseph's

and St Jago's Housing Estates were £40,000 but I can tell the Honourable Member that the estimate in respect of future building are higher than that. Faced with that problem, prior to putting out to tender the ten units at Catalan Bay, my colleague the Minister for Public Works called in contractors and apprised them of the facts. If it is going to cost in excess of £40,000 to build a housing unit, there is not going to be a great deal of building of new housing or any housing in Gibraltar over the next few years because we simply will not have the money for that and either because of the warning which my colleague gave the building contractors or because of the fact that the building industry is at this point in time going through a lean period, one was very glad to see that the tenders that were received were substantially less than £40,000 per unit and nearer to £30,000. On that basis perhaps we might be able to build more houses that will otherwise be the case for the next few years regardless of what response we get from the British Government because I am one who firmly believes that we have to harness our limited resources in continuing to build houses. I think we have an obligation to do so and if we have to tax ourselves to a greater extent I am willing to propound that policy with all the unpopular effects they may have. I am not in public life, Mr Speaker, for temporary popularity and I have in the nine years in which I have been in Government, I have indicated more than once that I am prepared to do what in my view and in the view of the Government is necessary. It may well be that the rents of whatever new housing we are able to provide will have to be higher, will have to be considerably higher but, again, I believe that if people who are faced with a serious housing problem are prepared to pay £55 or £60 a week rent for very sub-standard furnished accommodation, then I think if offered a new flat by the Government, they will accept that it is reasonable that they should pay £30/35 or whatever it is that they have to pay as a weekly rent. We may also have to seriously consider the finishes of our housing. We may seriously have to provide something which is less lavish. In the same way as at Rosia Dale tiles were not provided, we might well in order to cut costs, have to move in the direction in which we provide more a basic shell and allow people to spend from their own resources whatever they can in improving that. It happens in the case of private sector housing. One is aware of many young families who, when they are able to get their hands on a sub-standard flat in the private sector, will spend £3,000/£4,000/£5,000 in embellishing it and in improving it and that is the direction in which we may have to move if funds continue to be limited. I have already explained in the House here previously, Mr Speaker, if it matters at all what I say in answer to questions, that modernisation is not intended to figure in the next Development Programme as prominently as it has in the past. In fact, I think that the provision that we have in the next development programme for modernisation only amounts to 20% or even less of what we would like to build.

The accent will very much be on new housing, if at all possible. The modernisation programme and the reformation scheme is not arbitrary, Mr Speaker. Many of the people who have been living in flats that have been earmarked for modernisation have been living in those flats for many years under very difficult conditions, not having minimal facilities in respect of a toilet, running water, in properties which, as the Honourable Member said, are very, very damp and in being decanted into other Government housing and then, perhaps, returning. They have not been selected in an arbitrary fashion when many of them are applicants on the Housing list and very high up at that. The need for modernisation is self-evident, Mr Speaker, if the Upper Town that the Honourable Member spoke of is not to become a slum. It is the real Gibraltar and unless we are going to have a division whereby new housing is provided in the new areas of Gibraltar to the north and the south and the rest of the town is to be allowed to deteriorate into slum conditions, unless we are able to allow that the only way the problem can be tackled is for modernisation and the modernisation schemes are being successful in restoring the character of the old city. Flat Bastion Road, Tank Ramp, and now notably in Castle Road, Road to the Lines, a very successful scheme which is providing a very reasonable number of units, 28 or 29 new modernised units. Again, I should warn Members that it is true to say that with modernisation in the areas where access is difficult, the cost is high. This has been the case with Lime Kiln Steps but the alternative, as I say, is either to allow those to deteriorate to an even worse standard which would make them unfit for human habitation or else to put a programme in hand. To speak of insensitivity on the part of the Government, Mr Speaker, makes a mockery of the Honourable Member's concern. I do not know whether it is insensitivity on the part of officials, I do not think that there is insensitivity on the part of Elected Members of this House. I am very often surprised by the extent to which, for instance, the Chief Minister himself, with all the cares and duties of his high office, the extent to which in his compassion he gives time and interviews to housing applicants. This he does regularly and I am surprised, quite frankly, and I will say it publicly that the Chief Minister does this. I think that the response which people over the years have received from successive Housing Ministers has been one of concern and compassion for their problems but what we must not do, Mr Speaker, is to mislead people. If you are interviewing an applicant who has 300 points, when people at the top of the list have 700/800 points, you cannot tell that person that he has no problems and that he is going to get a house in 2 or 3 year's time, if that is not possible. You have a duty to tell people the truth and the fact that you tell them the truth does not mean that you are insensitive. Many of us on this side of the House know what it is to live in difficult housing conditions. I wonder whether the Honourable Member himself has first hand experience and first hand knowledge, either himself or in his close relatives of what it means to live in difficult housing conditions. I have, because I have lived

myself. I have seen my brother and my two sisters living in the same bedroom as my father and my mother and I myself living in a small corridor with a length of 8 feet with the main door on my left. Six of us living in a one-bedroom/dining room. I have experienced that myself and I have seen that in my relatives. I fail to see how that experience can make one other than compassionate but perhaps what it is easy or if not easy the temptation certainly is there on the part of the Honourable Member opposite, is to pretend that there are no constraints because every person that approaches him is a potential vote-catcher and when you are on that side of the House, Mr Speaker, that is easy, when you are on this side of the House for every 100 units that are allocated by the Honourable Minister for Housing, there are many more than 100 people who are dissatisfied and who think that they themselves have an equal or greater right and that is where I quarrel with the Honourable Member opposite. I thought that his approach would have been in concrete terms more well-meaning and not in the manner in which he just dismisses the real the factual aspect of the situation. When I spoke the other day about the scheme that is in the process of being launched, I said, Mr Speaker, that it was a pilot scheme. It is one which may give precisely hope to young applicants who are very far down the housing list and who will have an opportunity in this manner to meet and to solve their housing problem. I said it was a pilot scheme and that if it was successful it could be followed by others because there is, of course, no point in having in the upper areas of town flats lying empty for 4 or 5 years. Of course, there is no point in doing that and if the Government for one reason or another is unable to do anything about that accommodation and if that accommodation cannot be left in its present conditions, then it is only right and proper that we should look for alternative means of utilising those resources in order to meet the problem. I am sorry, Mr Speaker, that the Honourable Member has somewhat marred what should have been a debate in which I think there are less real political difference on both sides of the House to the approach to the matter. The main difference being, of course, that we are the ones that have got the responsibility, it is us who have the problem of building housing and much as we would like the money just isn't there. If there are people in Gibraltar who think that the Government has unlimited wealth, then the sooner they are disabused the earlier that will be and, unfortunately, Gibraltar regrettably may have, if not next year, the year after that or the year after that, we might be faced with a situation in which people are going to be brought face to face with the reality of the situation and that is that the financial resources of the Government are only the financial resources of the people and that the only way we may be able to meet not only the problem that we are going to have in housing but other very serious social and economic problems, is going to be by taxing ourselves and to that extent and in that respect this Government has never been found wanting. Thank you, Mr Speaker.

HON J ROSSANO:

I think the contribution of the Minister for Economic Development contains a lot of factual and emotional matters which if we are talking about the direction of policy we need to take into account objectively. I find that in moving the motion, the Honourable Mr Haynes is asking us to support that the Government should recognise the need to revise the direction of its housing policy without having told us what he thinks that direction is or where he thinks the direction should be pointed to instead. I do not know what I am being asked to support or what I am being asked to criticise in the policy of the Government. I find that in the past, on more than one occasion, I have been told in this House by the Honourable Mr Haynes and his colleagues that their main quarrel with the Government is not a matter of policy but a matter of efficiency and a matter of administration and that if he was in Government he would be able to make the system work better. I find that difficult to believe if I am to judge by some of the things that I have heard him say in this House, but he may be right. My position is that I do not think the system can be made to work. My position is that I think the system needs changing and I am not sure whether he himself is asking in this motion for a recognition of that fact, for a recognition of the fact that the fundamentals of housing are the fundamentals that have been pointed out by the Minister for Economic Development and they are the fundamentals of the creation and the distribution of wealth. Are we talking about being willing to devote more resources to housing or are we talking about a belief that more can be done with the existing resources because the Government is mismanaging those resources. If it is a question of mismanagement of existing resources and as I understood it the bulk of previous criticisms from the members of the Opposition other than myself in this House, the bulk of their criticism of Government has been a criticism of mishandling situations, of mismanagement of resources, of bad decision-making, but not of fundamental policy. In analysing his own motion, the Honourable Member devoted the bulk of his time to the question of modernisation. I agree entirely with what he had to say on modernisation. I have said it myself for very many years in this House that the amount of money that modernisation was taking up was in fact such that the modernisation programme was rapidly becoming the alternative to a housing construction programme instead of being a supplementary part of it playing a complementary role where it could be shown and that is the only way one can analyse it economically, where it could be shown that by devoting resources to modernising existing property, one could get a return to the housing stock which was greater than the use of those resources in new construction, then there is an economic case for modernisation. The question of rehabilitating property and maintaining property is not the same thing because that is another element which is not specifically

mentioned in this motion but which I think is a very important element and that if we just simply go on building houses and then allow them to go into dilapidation because we do not maintain them, then we will find ourselves not just simply building housing estates, building housing slums, huge slums which no future Government will be in an economic position to put right. That is one of the fundamentals, I think, of policy that needs to be reappraised, that we cannot simply talk about devoting funds to creating new houses without considering how those houses are going to be financed through a useful life, to the extent that the return on those houses will produce sufficient funds to maintain the quality of the housing stock. If we simply tax people in order to build houses and we find subsequently that the burden of maintaining the Government housing stock is swallowing all the Government's resources, any future Government will be in a colossal mess, Mr Speaker. Those are fundamental policy decisions which I would have expected the mover of the motion to be pointing to if he is talking about the need to reappraise and revise the direction of housing policy because I think this is where real dangers of a collapse of the whole of Government's financial structure because of the element of housing and the proportion of the Government's finances that are taken up by housing both through the chunk of the development programme that is devoted to housing and through the expenditure of maintaining the Public Works Department whose main vote is the maintenance of the housing stock. The mover said that the Government required to make a clear statement of policy. I would have thought that if we are all agreed that there is no clear statement of policy then we cannot do it to revise the direction of a policy if we don't know what the policy is. He said that implicit in the motion was the recognition that all is not well with housing. Well, I think there is no question about that. Nobody would say that all is well with housing otherwise we would not have housing being such a hot political potato as it is or the position of Minister for Housing being such an unpleasant one as it is. If all was well with housing then people would be fighting to be Housing Minister, not fighting to get out. I don't think anybody can doubt that all is not well with housing but I think that what one has to be clear about is whether to start off with, we are talking genuinely, if it isn't just a question of having a motion on housing here which people outside, and not people here because nobody bothers to come in and listen to us, Mr Speaker, unless it is something that affects somebody or there is a demonstration outside lobbying the House of Assembly which sometimes upsets people in it, apart from those rare occasions, I don't think we get a very large audience. If we are talking about a motion on housing which is obviously always a good political potato because people outside will just note that the word housing is the only bit of the motion they will understand what the rest of it means but they will understand the Opposition is pressing the Government on housing and

they understand that they haven't got a house and they also understand that they want one and they hope there is a connection between the possibility of their getting a house and the fact that we are airing views on housing here. If that is all that is happening, well, I am sorry that a problem as serious as this one is simply being used in that way. I hope it isn't so because I have heard the Honourable Member make what I consider to have been one of his most impressive and genuine speeches in this House when he raised the question of the people in Capola's Building and I think that that showed me that for him the housing situation was not simply a vote catcher but something that having come to knowing through personal contact, he himself is prepared to devote a great deal of his political energy to helping to resolve, and I hope that it is in that way that he is bringing the motion to this House and not simply, as perhaps has been suggested by the Minister for Economic Development in his reply, simply because it is a good thing to hit the Government over the head with. I can say that so far from what he has said I hope he will be able to say more on what he thinks is the policy that is required. There is really no problem in supporting the motion as it stands because the motion as it stands and in the absence of a clear cut statement of policy from the Honourable Member who is moving the motion which by implication would be what he would be expecting me to vote for, I have no problem in voting for this. If the House is concerned at the continuing and escalating housing problem in Gibraltar, well, I think there is no question about it, the House is concerned, if it wasn't concerned it wouldn't be a subject matter for us to be devoting three or four hours of our time to discussing it. I think the Government certainly needs to reappraise and revise the direction of its housing policy but I am not sure that what I think is its direction is what the Government thinks is its direction or what the Honourable Mr Haynes thinks is its direction and I am not sure the revision that I want is the one that he wants. As long as he leaves it as nebulous as this, I have no problem in voting for this and saying what the revision that is required is as far as I am concerned. I certainly agree with what he has said about the modernisation and development. I am not sure what is the policy change that is required in social cases, medical cases and young applicants and I don't think one can say that a policy change is required because people are insensitive in the Housing Department. Whether they are insensitive or not is, I think, dependent on who you are, really, in terms of the treatment that you get and how willing you are to accept that treatment. Some people are made to wait a very long time for an interview and never complain because it is not in their character or personality to do it, some people get interviews every week and still want to go there and string everybody up. In any case, even if it was the case that the Department was insensitive, the policy in terms of asking for a change of direction of policy, the policy must be either as I see it to give more weight to these people at the expense of other.

applicants or to give less weight to these people and give more to people who have been on the waiting list or people who have got bad housing conditions. If you say social cases are more important than people on the waiting list, or people with sickness, that does not do anything to solve the housing problem for the whole community. That does not do anything to increase the stock of houses. All that it does is that it means that the person on the waiting list will have to wait longer because the social cases will get it earlier. I am not myself sure whether the balance is right today as between these categories and people who are in different categories, nor am I sure myself whether the balance needs to be changed more in favour of these cases and less in the favour of other cases, I am not sure. I am not sure either whether the mover of the motion is seeking, in fact, a greater proportion of houses for this category that he has mentioned at the expense of other categories or not. I am not sure if when he is talking about the need to reappraise and revise the direction of policy as regards social cases, medical cases and young applicants is he saying, and I am not sure that there is a special category called young applicants, I don't think there is, but if he is saying we need to have, say, fifty per cent of houses for social cases, medical cases and young applicants, and that is the direction the policy should take, then it is certainly something that needs a lot of careful thought. I can assure the Honourable Member that one of the things that I think one needs to do in terms of social cases and medical cases is to make sure that they are 100% genuine. It is sometimes possible to produce a very strong case which is very difficult to fault on paper but which is not necessarily an accurate reflection of the predicament of the people concerned and there may be other people in worse situations, through overcrowding, through bad physical housing conditions or who have been waiting very patiently and uncomplaining for many, many years. If we are talking about being fair to people, then I think the House would support 100% the production of a fair system in which priority for housing reflected need for housing and no other consideration. I think that is really what the aim of policy should be. If that is not Government's policy, then I think Government's policy should be clearly defined to the extent of saying: "First of all, can the Gibraltar Government take on the responsibility of providing a house for every single Gibraltarian family or every single family resident in Gibraltar that wishes to live in a Government House". If it can and it wants to do it then the target must be to house the whole of Gibraltar in Government housing and how can we go about achieving that target. I think that that has been implicit in Government housing policy since the war, without even being explicitly stated. By implication, irrespective of your means, irrespective of your ability to house yourself, you have been entitled to apply for a Government housing and go on to the waiting list. I can understand if this is something that the United Kingdom Government is aware of, I can

certainly understand why there would be very little sympathy in GNA. We had a recent case, Mr Speaker, of a court case in the United Kingdom where somebody was fined a considerable amount of money, something like half a million pounds or something like that and they mentioned the address on FPC. I wonder what the reaction would have been in the United Kingdom if it was said that that was a Council house, is people understand Council houses in the United Kingdom, and the sort of sympathy that would elicit for aid from the United Kingdom to build more Council houses, for whom? The United Kingdom and the United Kingdom local authorities are in a different situation admittedly where people have got an opportunity which they don't have in Gibraltar and which it seems very difficult to provide in Gibraltar, where people have an opportunity to provide housing for themselves at reasonably modest cost, the policy that has evolved in the United Kingdom really is that public housing is something that acts as a safety net ensuring that nobody is without a roof over their heads. I think in Gibraltar if it was ever the intention to do that, then certainly that is something that we have failed to do because we have got the two extremes. We have got people living in Government housing who can well afford to provide for themselves and we have got people who have no choice but to pay three quarters of their income in rented accommodation. I certainly would agree entirely that there is a need to reappraise and revise the direction of the housing policy because I don't think the housing policy is achieving what really should be achieved which is a supply of Government houses to ensure that those in need are able to obtain a reasonable level of accommodation at a reasonable cost within a reasonable period of time. That, as a fundamental aim of housing policy, is certainly not being achieved and we certainly need to discover why it is not being achieved. I think it is easy enough to ask the Government to provide for a level of building such as we have seen in the Varyl Regg Estate but I think it is equally valid for the Government to say to us: "Well, that cost twenty eight million pounds, are you saying that you are prepared to support the level of taxation required to raise twenty eight million pounds to build another Varyl Regg or you are saying that you want another Varyl Regg built and the British Government must provide the twenty eight million pounds when there is every indication that the British Government is going to be very unsympathetic to that because, in fact, even in their own Local Authorities, where there is nowhere near the proportion of public housing that we have in Gibraltar, there is no Local Authority in the United Kingdom that has got 65 to 70% of public housing out of the total housing stock. The level in the United Kingdom in good areas is something like 40% to 45%. In bad areas, which are the ones controlled by the Conservatives, it is only 5% or 10%. I don't know to what extent GNA analyses these matters but I thought if it does and if it is influenced in any way by domestic policy on those issues, then we would have a very, very tough time

convincing CDA that with public housing already reaching 55% to 70%, there is justification for a further increase in the public sector in public ownership of houses. I think we face an extremely serious problem which in its essence is economic. I think in the past there have been mistakes made. I am myself convinced that the modernisation programme, allied with the blockage caused by the non-allocation of the final blocks of Varyl Begg, which the Government was planning to have and I think if the House will recall, at that stage the non-allocation of Varyl Begg meant that the people who would have got into Varyl Begg didn't go into Varyl Begg which meant the houses that they would have left which were going to be used for decanting were not then available, which meant that the whole modernisation programme took longer than it might otherwise have done and cost more than it would otherwise have done, the whole history of that has made a problem that was bad, worse. I don't think anybody can deny that, not even the Government. The Government say it was beyond their control, as politicians. I don't think members of this House on this side would expect any Government to come along here and bang their chest and say "mea culpa" three times and then go to an election in a couple of years time so that we can parade that over them. They are bound to try and justify it even if there is an element of bad planning or misjudgement but I don't think the motion, as I understand it, is concerned with the quality of the judgement of the people who are today in Government. It is concerned with fundamental policy decisions that would be necessary whoever was in Government. The essence of those fundamental policy decisions are economic and we were being told in another motion that I brought to this House, Mr Speaker, on Friday, that it would be very wrong to mislead people about our possibility to be insulated from the realities of the outside world. I think that whereas I don't accept that in the case of the Dockyard, I would certainly accept that statement in the case for a lot of other policies that we discuss in this House. We are apparently telling people that the unachievable can be achieved and the unobtainable can be obtained and I would not want to be a party to that because I believe that it is possible to resolve some fundamental problems affecting our community as it is possible to resolve those fundamental problems in other parts of the world but I do so from a specific approach which is the basis of my political philosophy and in supporting the motion, which I am going to do, I must make it clear to the House that for me the sense of direction that is required, is not simply a question of saying: "Well, give more points to so and so, so that he has got a better chance of getting a house than the other person". Or simply saying: "Well, modernisation isn't working fast enough because there are groups of workers distributed all over the place and you cannot keep tabs on them". I am talking about the need for a cohesive policy on housing based on an ideological commitment to a particular way of organising the economy. That is why I will support

the motion because I think that is the change that I believe is required but I am not sure that that is the change that is being advocated by the mover but the mover isn't asking me as far as I am concerned to support necessarily the policy that he does but to say that the Government needs to produce a reappraisal of its policy, and certainly as far as I am concerned, I am convinced that that is necessary. Let me just say one final point. I cannot be sure to what extent that would apply to the question of the administrative structure of the Housing Department because I am talking about fundamental policies and I am not talking about the administration of the Housing Department and I am not quite sure what that means, anyway, because all that the mover said in respect of that point, as far as I can recall, is that the Housing Committees were doing a very good job and that they supported the system and that he would like to sit in as an observer in the Committees.

HON A J HAYNES:

If the Honourable Member will give way. I was referring to the fact that there are four Ministers involved in the administrative structure of housing and that there is a lack of cohesion within those ministries and I made particular reference to the Family Care Unit reporting problems of the last year.

HON J BOSSANO:

I am grateful for that Mr Speaker. I took the administrative structure to mean the way the housing stock is managed by the administration, that is what I would have understood by that. It may be that it needs to be managed in a different way but it seemed to me that there had been no reference to that part of the motion from what the Honourable Member had said. I take it then that what he is saying is that one should not have departments which do not come directly under the Housing Minister involved in different facets of the housing problems and that it would be better if it were centralised and all under the same Minister. I think that there is probably a great deal of logic in that and I would support that as a sensible thing. But I don't think it comes across from saying, as the motion says, that we need to revise the direction of the administrative structure of the Housing Department. I think most people would understand by that the way the Housing Department is structured administratively, that is, with a Housing Manager and District Wardens and so on, is not a good thing and that it should be changed. Mr Speaker, I don't think there is any other point that I wish to comment on so subject to anybody being able to persuade me otherwise, I propose to support the motion.

HON M K FEATHERSTONE:

Mr Speaker, the Government, is of course, greatly concerned at the continued and escalating housing problem. With that we don't argue. But with the second point, fears that the problem

will only become worse unless Government is prepared to re-appraise etc., with that, we do argue. There are a number of points which I think spring to mind and which should be considered fully when the whole question of housing is brought up. Is housing to be a Government monopoly? If it is, then it must be appreciated there is a two-fold cost involved. There is the original cost of building which today, as my Honourable Friend has said, is running at approximately £40,000 per flat. So that if you want to make any large impact, you need very great deal of money to do it and I stress a very great deal. If we are going to build, as we hope in the next development programme, some two to three hundred houses, that is going to cost us some £12m to £14m. If we want a Varyl Begg type of housing estate then of course we are talking in the region of £30m to £35m which is under any circumstances, I think, beyond the possibilities of the Gibraltar economy. The second point that has to be taken is that every Government house built is pushing up the total subsidy that has to be put on housing and into the Housing Fund every year. This is something that we must consider all the time because if a house is costing £40,000 or let us be generous, costing £30,000, the loan charges on that run at something like £4,000 a year and £4,000 a year cannot be the rent that we can reasonably charge any person who is going to live in that accommodation and the £4,000 a year is only covering the loan charges and not covering the amount that has to be put in for maintenance. The maintenance factor is a very important factor. As the Honourable Mr Bossano has said, it is no good us building a lot of property and then not maintaining it and allowing it to deteriorate into a slum. One would hope, at a wise rate, that one would spend some 2% of the value of the property in annual maintenance and if your housing stock at the moment which is worth something like £80m to £100m, is going to have 2% per annum spent upon it, then we are considering a figure of £1.6m to £2m per annum required for maintenance alone. It is a figure we are not reaching and I regret to say that our housing stock has and is continuing to deteriorate more than we are looking after it. Government is trying the scheme of putting out some of these derelict properties for people to take up, hopefully, young people, and develop themselves but one of the things lacking in town, for which the blame has to be laid, I think, on the private sector, is the lamentable lack of facilities to help youngsters to build their own houses. We do have some building societies in Gibraltar, but they are working on a very reduced and very limited scale. It is normal in the United Kingdom where you get a mortgage to build, that the mortgage lasts over 25 to 30 years whereas I understand in Gibraltar the assistance that the banks in particular are willing to give has to be over a 15-year period which in most instances means a very heavy drain on the person taking up such a mortgage. It would help tremendously if the general public of Gibraltar were willing to invest in their own city and were willing to put their savings into building societies

rather than to put their savings into UK Companies and UK banks so that this money could be devoted to assisting the younger people of Gibraltar to take up their own mortgages and to slowly turn Gibraltar from a practically Government owned housing area, into an area in which people own their own houses themselves. The Honourable Mr Haynes said that very little has been done. Well, I would challenge that. We have built some fifty or sixty houses at Rosia Dale, we have built at Rose Shrine, new houses at Tarik Ramp, we have the new housing schemes at St Joseph's, St Jago's, Flat Bastion Road. I don't think it is very little being done. It may be it is not enough, that is a possibility, but as I said we have to live within the constraints of the finances we can afford. At the same time, a year and a half ago, we could not have built very much more because we did not have the capacity to do so. Our building force was working full blast, there was not sufficient labour or manpower to do anything more, so once again we have a constraint on that. The Honourable Mr Haynes has made the comment that there should be one Minister in charge of everything for housing. What is this Minister to be? Is he to be a Minister for Public Works in one breath, Minister for Labour in another, Minister of Economic Development? He would be a marvellous man if he could cope with all this. The Public Works side has made its own contribution and I would challenge the statement made by Mr Haynes that in modernisation it has not been properly accounted for and not been up to standard. That, I do not think is the correct application of the facts. Every penny that is spent is fully accounted for by the Quantity Surveyors of the Public Works Department and the Clerks of Works see that the actual work done is up to standard. I am not going to go into the question of the social cases, medical cases, etc.; because that is more in the province of my colleague the Minister for Housing but I would say that whatever is the position in the future, the constraints on more housing for Gibraltar are going to be limited by the amount or the extent to which we are willing to put our hands into our pockets and pay for it. We are already heavily taxed, we are not afraid to tax more to make more housing, but if we should come up with further taxation for paying for housing then I hope our friends in the Opposition will support it and will not be crying out at every opportunity for a reduction in taxation as has been their wont over the past.

The house recessed at 1.00 p.m.

The House resumed at 3.20 p.m.

HON H J ZAMMITT:

Mr Speaker, I thought there would be further contributions from the other side of the House before I replied to some of the things mentioned by the Honourable and Learned Mr Andrew

Haynes. Mr Speaker, I will dwell briefly upon the points raised by Mr Haynes in relation to the responsibility with which I am charged. I think the development side of the housing situation has been dealt with by my friend, the Honourable Mr Canepa, and by Mr Featherstone, and therefore I will deal with all the points raised by Mr Andrew Haynes regarding the ultimate allocation of houses. Mr Speaker, I think Mr Haynes is fully aware that the housing problem of Gibraltar is not a two-year old problem, it stems far beyond that. In fact, it goes back to possibly the colonial era of Gibraltar when the then Colonial Government constructed no houses other than Harrington Buildings for the people of Gibraltar and the people were forced to live in the private sector and the situation was then brought to light after the war, particularly on the return of Gibraltarians from the evacuation, and there was a Resettlement Board and it was then and only then that the elected Governments of Gibraltar were able to construct houses to accommodate the Gibraltarian families. Mr Speaker, whether we agree or disagree with what the Government has done or Governments have done since the war, I think the figures are that we have over 5,000 houses of a post-war standard and it is not bad going considering, as I say, that we were dependent purely on the private sector in the past. The whole crux of the situation, where I find difficulty in agreeing with Mr Andrew Haynes, is that I have been able over the past two years that Mr Haynes has been in this House, to hold frequent meetings with him on housing matters and it was only until I felt sick, in October, that I have been unable to keep up my meetings with him. It is here that I find great difficulty in being able to reconcile what he, in fact, means by this motion. It is very comfortable, I think, for a Member of the Opposition or indeed any other person, not being in Government and charged with the responsibility of housing people, it is quite comfortable to give every single person who approaches him some sort of comfort. I agree with that, Mr Speaker, because I feel that people must be given some sort of hope but what Mr Haynes has never been able to say is who he intends to give priority to and to the detriment of whom. If Mr Haynes feels that we should give the young applicants, the young couples, preference over those people who have been waiting patiently on the list for ten or twelve years, then I think he should make it publicly known. If he feels we should give those people with bronchitis priority over applicants on the waiting list then I think he should make that known but he cannot continue to give every single applicant, whether medically categorised, whether Government quarters, whether on the housing list, whether on social grounds or on whatever grounds, I think he ought to be able to say categorically and clearly who he thinks should get preference and who in turn should be left out. It is only then, Mr Speaker, that one would know and people would know exactly where they stand. If the Honourable Member feels that the percentage of medical category, which is 20% of new housing, should be reduced or increased, then of course it will be to the detriment of the

general housing list. If he feels we should do away with Government quarters, then the Civil Servants should know that the policy of the Opposition or of Mr Haynes is that they do not agree with the Government quarter situation. If they feel we should not decant pensioners then he should say so but I don't think he can lump together everybody who has a problem and give the impression that everybody must be helped because we just haven't got the capacity to do that. Mr Speaker, I am trying to be as logical as possible in this approach and in the meetings that I have held with Mr Haynes. I think I must give him credit that he listens to me and I try to explain the various problems. I do not necessarily expect him to agree with me but I think I do inform him of the day-to-day situation and the day-to-day problems which most people opt to ignore. There are applicants from U.K. In fact, Mr Speaker, I can tell the Honourable Mr Haynes that at the moment I am in correspondence with a Gibraltarian who having lived away for 25 years, is going to take the case to Brussels because I told him that he has to be a resident in Gibraltar before he can apply. If that person came here and saw Mr Haynes, Mr Haynes might give him some form of encouragement but then it must be to the detriment of somebody else and I would like him to state clearly when he sums up who he feels we should help and in the same breath say who he feels we should not be so generous with. I, personally, have made my position very clear to Mr Haynes, Mr Speaker. I am very sympathetic to those people on the housing waiting list and in particular to the people who have been waiting the longest. I agree that there are social cases and medical cases and the like but the people who have been waiting the longest in my estimation are the people who should get priority and then everybody would know that there is a time factor and therefore there would be no gate crashing or attempts to get assistance elsewhere, be it through medical certificates, through dampness, bronchitis, or any other ailment that can be sought sometimes to the detriment of others who patiently wait their turn. When it comes to social cases, Mr Speaker, I think this Government cannot be accused of not being concerned. I agree that Family Care Unit reports have been long in coming in to the Housing Advisory Committee but that we all know was on account of the staffing problem in the Labour and Social Security Department but this Government, since 1978 to date, has provided 42 dwellings in the Filipino Hostel, 26 of which 15 have been allocated at Town Range and now in the next week or so we will be providing another 15 or 16 units at the Red Ensign Club, so the social cases have had a fair crack of the whip when one looks at the whole perspective of housing. On the medical category, Mr Speaker, we raised it two years ago from 15% to 20% and the Advisory Committee were making it more difficult for people to get on the medical category list and were only considering cases which warranted to be medically categorised. On the question of modernisation which has been a problem in decanting people, what I cannot accept from Mr Haynes is that invariably we are reaping less than we decant.

Tank Ramp is an example where we have been able to house more families than we decanted but if we do lose on that then of course it is only because those people who were living in those conditions have found that their housing lot has improved to a standard which people expect nowadays and not in a situation as was the case before of many people living in a room with no sanitary facilities whatsoever. The question of the housing applications numbering 1,800, I grant and accept, Mr Speaker, the number has been more or less static for some time but I would remind the Honourable Member and Members opposite that in 1972 when the AACR Government came into power, there were 1,400 applicants on the waiting list and the distribution of 700 flats at Veryl Begg Estate alone brought about a situation that we found ourselves with 1,700 applications. One can therefore conclude, and I have said this time and again, that the situation is one where Government has produced houses, has allocated houses and yet we find a gross situation of overhousing. But Mr Haynes, I am afraid, does not agree that a person who is living in four or five rooms should be decanted and asked to live in smaller accommodation. I say, and I hope it is for the last time as Housing Minister, that if we could get all those people living in overhoused conditions to move into smaller accommodation 50% of the housing problem of Gibraltar would be solved. I am not saying that there isn't a shortage, I am saying that if there was a fair distribution and if people cooperated then I could guarantee that a lot of the problems today could be resolved. What we cannot have, Mr Speaker, is allowing people on rent relief and even not on rent relief but in subsidised housing, to continue to live at the expense of others in grossly overhoused situations. Mr Speaker, I was quite hurt by the Honourable Mr Haynes saying that the Housing Department is insensitive. It is pathetic that I never hear anybody here saying anything nice about a Department that receives nothing more than insults, offensiveness and allegations galore. I think the proof of the pudding is that I myself have found it virtually intolerable to continue to be Housing Minister as my predecessors have found because no one comes round with a bouquet of flowers but they do come round making all kinds of allegations and making the most wicked remarks about the Housing Department. The Housing Department are not insensitive, they have like I have, the impossible task of satisfying people who obviously demand more than we can afford to give. Therefore, Mr Speaker, I think it is unfair to say that the Department is insensitive. They are very human and they suffer immensely when people come along with tales of woe with which they agree but which they can do nothing about. Mr Speaker, the Honourable Mr Haynes has again brought out the question of the housing list. I agreed to provide the top five in every category not to satisfy Mr Haynes, it was brought about by the Action for Housing Group. This is the task that I had explained here time and time again, which is a difficult one. It is a very difficult one if we are talking about 400 names or 100 names to be typed out just for someone to see how many points

they have. I think that five is indicative of the pointage value required for a particular kind of accommodation. So, Mr Speaker, I think that within the problem we have and we have had and we shall continue to have, there must be a realistic approach. We have had the Honourable Mr Haynes raising here the question of Casola's Building about which the Government took prompt action but alas only to find that the people that were downstairs with rats and with rotten bits of furniture the moment we provided them with post-war housing they opted to go back to a place which had been condemned and which they had made a big fuss about. One has to be very careful, Mr Speaker, when one selects a sector of the community that it must be remembered it is not always popular to the others who are left behind in trying to alleviate someone else's ordeal. My humble opinion is that the only scheme and the only system which can be construed as absolutely fair is one which depends on mainly the waiting time. I would remind the House, Mr Speaker, that since the advent of parity there are more applicants from the United Kingdom, more people who wish to come over and take up residence in Gibraltar, a situation which is aggravating things day by day. I would like to inform this House, Mr Speaker, that the policy of overhousing, those that we have been able to persuade whether it be by way of exchanges of people handing in two smaller houses for a larger one, of people going into smaller accommodation, has had a tremendous effect and if only the Honourable Mr Haynes, as opposed to saying how many people have been housed, would have asked the question how many applications have been cancelled during the year, he would find that it was much more than the 50 or 60 since he last asked the question of how many applicants we had. The Housing Department tries to do its utmost in a fair distribution of housing and if the people were a little more helpful much more could be done as has been done in certain areas but it is not a question that we are insensitive that we don't want to listen to things and we just couldn't care less. As regards the Minister seeing people, I will make it quite clear to the Honourable Mr Haynes or anybody else that I am not prepared to grant interviews to people. I found myself a few months ago without knowing what my name was and I am not prepared to interview people who want to see me week after week for the same situation and they know that I cannot do what they would like me to do and yet what they would criticise me for if I did it with somebody else. The situation must be made absolutely clear. There is a scheme and a system and people must abide by that scheme and there is no pally-wally with the Minister or anybody else because the Minister is not prepared and cannot give anybody an advantage or privilege. Mr Speaker, as far as I am concerned, the problem will not be eradicated with the next two, three, five or ten years, not only because there is a housing shortage but because people aspire to better and better living conditions and as time goes on there will obviously be a greater increase in the standard of living so we cannot keep pace with that and

it doesn't take very much to realise that. Mr Speaker, the Honourable Mr Haynes said the Government had taken up more than we could chew. If that is the case then of course it would be one where we have embarked upon a situation of housing that we have not been able to keep up with. The situation is that if we did not decant those people from those houses that the Honourable Mr Haynes finds empty, possibly, like Casola's, we would have found tragic circumstances because some of our housing stock is so old that there could be problems galore if those people weren't brought out. We have more blocks that require decanting in the very near future. Mr Speaker, in ending I would like to add briefly to what the Honourable Mr Bossano said on the actual motion and that is that one does not know what the motive of the motion is all about. It is not a motion of censure on the Government, it is not a motion of censure on the Minister or the Ministers he refers to or anything else. Mr Speaker, the Government will accept that we are very concerned with the housing problem. It is a problem that has been here before Mr Haynes ever dreamt of coming into politics. The rest, I am afraid, we just cannot agree with because there is no substance at all and there is no directive as to which way the motion is heading for and as I say I would be very grateful in particular if the Honourable Mr Haynes publicly said who he would like to give priority to and in saying that to the detriment of which sector of the housing applicants he would like it to be. Otherwise, Mr Speaker, I think we could be arguing all day and quite honestly the public of Gibraltar are left in the same dismay as they have been left in the past.

HON MAJOR R J PELIZA:

Mr Speaker, it seems as if the Government does not realise that it is the Government that is supposed to govern and not the Opposition. Every time we come along to press them to do something they ask us to tell them how to do it better. Of course we can do it better if they just come here and we go over there but it so happens that the electorate of Gibraltar so far does not seem to have woken up to the fact that this particular Government which has been in office for quite a few decades still cannot deliver the goods and all they tell us is "You tell us how to do it" because, basically, that is what it is. We are not here to tell them how to do it, Mr Speaker, but certainly we are here to try and press them to do something about it. I must say that my Honourable Friend on the right, judging by the reaction from the Government, is doing that magnificently except, of course, that it all seems to be wasted in bad temper but really in no action. We would like to see less bad temper and more action. Mr Speaker, we are not here to decide what policy by any form of ideology. We are not trapped or imprisoned or caged by any form of ideology. It has been proved, Mr Speaker, that the ideology is not always the best way of proceeding willy-nilly because if ideology is going to stop me from doing what I think is right to do at this

moment, I am not an ideologist. If one looks at the world, generally, we will find that those countries which are obsessed with some form or other of ideology are the most backward, where people are enslaved and which are suffering most. Therefore, Mr Speaker, my Party is not in any way restricted by any form of ideology but we see what might be good in any ideology and how it can be applied in a practical sense at the moment, now, because now is only now tomorrow it might be a completely different situation and still we are going to stick to the old ideology because we thought that this was the thing, that was the theory, forget about the practice. Mr Speaker, we are not that way, and, therefore, there is no reason why we must stand here with an ideological theory for a housing problem. I can't understand why my Honourable Friend on the left was saying, that you must come here with an ideological plan. No, Mr Speaker, we do not come here with an ideological plan, but I think we do come here for the purpose that we have been elected, to try and stir the Government into action. That is our role, Mr Speaker, and that is what my Honourable Friend on the right is doing. I was sad, rather than angry, to hear a man that I admire considerably and who I know has got tremendous respect for democracy and the role of the Government in democracy, to say that in future he was not going to care two hoots how he answered questions in this House. Mr Speaker, that is very bad.

HON A J CANEPA:

If the Honourable Member will give way. He knows that I did not say that. I said that if the answers that I give are going to be treated as haphazardly and as lightly as the Honourable Mr Haynes has dealt with answers that I have given him earlier in this meeting, then in the case of the questions which the Honourable Mr Haynes puts, I will not waste my time and that of Senior Civil Servants for whom it is no mean task to prepare answers to so many questions. I will not take as much care in providing the information. But I did not say that I was not going to answer questions in this House as I have always done. This is what I do not like, to have my words twisted, Mr Speaker.

HON MAJOR R J PELIZA:

Mr Speaker, it is very difficult without the Hansard to say exactly what the Minister said then but I think that is what he meant.

MR SPEAKER:

The Honourable Minister said exactly what he has repeated now and Hansard will show this.

HON MAJOR R J PELIZA:

Mr Speaker, what he said was that he wasn't going to take so much

care in the way he answered questions put by the Honourable Mr Haynes. Isn't that more or less what he said, or have we got now to go word by word. He means that he is not going to take all that care, he is going to care less about the way he answers the questions. What the Minister must realise, Mr Speaker, is that the answer that he has given is not for that particular Minister, it is for the whole House and it is for the whole of Gibraltar and he has a responsibility to answer the questions as thoroughly and as well, whatever is done with the question afterwards.

HON A J CANEPA:

Mr Speaker, if the Honourable Member will give way. I understood when I came to this House and from the reading that I have made about the principles of Parliamentary democracy to which we subscribe, that questions are put in the House in order to elicit information. If I give information in an answer and I quote a figure three days ago, I do not expect that figure to be distorted in order to serve a particular purpose. I expect that information to be treated for what it is worth, accurate information, and not to be grossly distorted as has been the case earlier today. That is all that I am objecting to.

HON MAJOR R J PELIZA:

Mr Speaker, I was coming to the question of the figure and I was very glad in fact that the Minister has drawn attention to it although I would not have forgotten. If we look at the matter that so disturbed the Minister concerned, he will see that in his statement of the 26th of October.

HON A J CANEPA:

No, Mr Speaker, I was not referring to the statement of the 26th of October. I was referring to the answer that I gave to a Parliamentary Question put the other day, here, three days ago, not the 26th of October. I said that the number of units involved in the four properties in question, other than City Mill Lane, was thirteen. That was the statement that I was referring to, not to the one that I made in the House in October.

HON MAJOR R J PELIZA:

Yes, Mr Speaker, I was also coming to that but one has to go stage by stage. The Minister will notice, Mr Speaker, that I am giving way all the time and also perhaps at this stage he could be reminded that my Honourable Friend who is shadowing housing would have given way if you had not literally instructed him not to give way.

MR SPEAKER:

I certainly did that after he had given way several times and I am going to ask you to do the same now.

HON MAJOR R J PELIZA:

Well, Mr Speaker, I only hope that in this instance the Minister will not really get cross with me and tell me that he in future will never give way to me as in fact he did to my Honourable Friend on the right, because I can't literally, you have now directed me not to give way and you did exactly the same thing before.

MR SPEAKER:

I am not going to enter into arguments as to why Members do things or not. It is my privilege and my prerogative to decide whether a Member should give way or not and if the circumstances warrant I will most certainly give these instructions as and when I consider it necessary.

HON MAJOR R J PELIZA:

Very well, Mr Speaker, let us get on with the task that I think we have in front of us which is a gigantic task, Mr Speaker, for this Opposition to try and move the Government on what is, I would say, second to the Dockyard, the most serious problem of Gibraltar - housing. We mustn't get personal, Mr Speaker, when we are talking about housing, whether I have two rooms and never lived in more than two, or somebody else has got something else. Let us come into this House without, for goodness sake, introducing personalities or motives. Let us assume all the time, Mr Speaker, that whatever I may say I am saying in the interests of Gibraltar because if every time that we speak in this House somebody is going to stand up and try and suggest that you are doing it for some other motive, then Mr Speaker, we are not, I think performing our duty in the best interest of Gibraltar. Therefore, Mr Speaker, I think we have got to assume that whether it is a Member of the Government or whether it is a Member of the Opposition who speaks, he is not doing it with any other motive than in the interests of Gibraltar and if this is so, perhaps, it is the obligation of the Member concerned to bring it out and substantiate it but not just to drop a hint and leave it at that. I would like, Mr Speaker, that to disappear from this House. But carrying on with the statement, Mr Speaker, which we were talking about, if he looks at his statement there he will see under paragraph 4 the properties in question, 2 at Lower Castle Road, 1, at Devil's Gap Steps and 1 at Willis's Road. A policy, Mr Speaker, that after so many years of trying to do modernisation which has cost Gibraltar a lot of money, I would have thought that that has only

come about, the beginning of this, because we haven't in anything yet, but the beginning of this modernisation in the sense that we are probably going to see it in the future is just about to start. In fact, they haven't started, the tenders have not even gone out.

HON A J CANEPA:

I think I also said in the answer to the question two or three days ago, that the tender documents were about to be issued, and they are, the tender documents will issue within a few days. If they are not out before the end of the year, it is because of the holiday break in between but I can assure the Honourable Member, that this is a matter that we are proceeding with, the tender documents have to be very carefully prepared and vetted by the Attorney General's Chambers but I saw a draft of the documents this morning before I came in and I am leaving no stone unturned to try and get this tender notice out before the end of the year.

HON MAJOR R J PELIZA:

What I say, Mr Speaker, is that looking at it from this side of the House, the Government never seems to keep target dates, there is always slippage one way or another. It is only proper and right that we should never assume that the Government will do what they say they intend to do in the time they say they are going to do it because it has been proved time and again that any target date given by the Government is not worth the sound with which it is made let alone the paper it is written on. Mr Speaker, I think it is very valid to say that at the moment we have four houses for which tender notices are going to come out and those are the four houses that my Honourable Friend was referring to, four houses, thirteen flats. But my Friend was referring to four houses and he was right there. That statement is absolutely right and nothing has been twisted. Therefore, Mr Speaker, I think if the Honourable Minister were to listen more to what is said in this House, he could not say that the thing was being twisted in any manner or form. I am sure that on reflection he will accept that he was wrong. Being a mathematician is always accurate, Mr Speaker. It would have been more accurate if he had listened to what my Honourable Friend said about four houses. And so, Mr Speaker, we go on to the housing question. The only substantial housing project carried on in Gibraltar since 1969 was one that the Government which was only in power for a very short time brought about after considerable difficulties. Of course, there are difficulties, if there were no difficulties there would not be a housing problem. When we took over, I am talking about capacity, the frontier had been closed and there was no labour here. It would have been easy to say we can't build houses because there is no labour. The firm that was doing the Glacis Estate had gone bankrupt and they had no

labour and we had to literally take over from them. We carried on building there and we went ahead with what has been the greatest housing project here and then of course, Mr Speaker, if we look back, when they took over again, this is when all the problems started and when they were in a position to try and put it right, they took ages. We kept telling them how to proceed and they wouldn't and of course we haven't seen the end of it yet. The difficulties were there, we told them how to come out of it and eventually they did it the way we suggested. That is the truth, Mr Speaker, and look from there on. The Government say they cannot allow to have slums in Gibraltar. Mr Speaker, new houses in Gibraltar are slums already. Not the old ones, Mr Speaker, perhaps there are fewer slums in the old areas than there are in the new ones. Why, Mr Speaker? Isn't that part of Government administration? Isn't that a Government Estate? That is why I congratulated the Minister on being imaginative. When there are some strawberries to be given away I do give them away but they must expect raspberries, Mr Speaker, as well and this is what they are getting today, I am afraid, because it is justified and I think in their heart of hearts they know it is justified. Mr Speaker, I asked whether the Government can do something for the housing estate and the reason why I said it was to try and avoid them getting worse than they are today. One looks at houses, flats, blocks which are privately owned and there are no slums. One looks at those that are Government owned and they are getting worse, and worse, and worse all the time. But I am not going to tell them how to do it, I know how I would do it, and I dropped a hint but that hint wasn't taken. It is not our duty to tell them how to do it. Our duty is to point out what is going wrong, that is our duty. And if they can't put it right they can carry on expecting that we are going to keep saying so until they put it right. Maybe they are incapable of putting it right, it is very likely. In the next elections, perhaps, Mr Speaker, the people will realise it is time to have a new broom, or call it what you like, because it is badly needed in Gibraltar, no one can doubt that. What we need is a new broom in every sense of the word and particularly in housing. A new vacuum cleaner, someone said, I hope they buy it from Acmoda, Mr Speaker. It is a serious matter and I think my Honourable Friend was absolutely right when he clearly stated that there was really nobody responsible for housing. It is clear that no one really has full responsibility for housing in Gibraltar. It is spread among three Ministers because three of them have spoken on the motion. This is the problem it is essential that one man must be held responsible and because he is then responsible he will try and move Government to go his way. But if one can pass the buck to the other one and the other one can pass it back, it turns up to be nobody's baby. I am afraid to say that housing in Gibraltar looks very much like being nobody's baby. This is the reason, Mr Speaker, why the situation of housing is the way it is. Of course it is not a vote of censure on the

Government in this instance. There should be one person responsible for housing, Mr Speaker, not someone who doesn't want to be there.

HON H J ZAMMITT:

If the Honourable Member will give way. In his time in Government there was a Minister for Housing who worked under the Public Works Department and there was a Minister for Public Works and there was a Minister, Major Gache, for Development. Would the Honourable Member like to explain how it worked so beautifully under his administration and it cannot work under this one? There were also three Housing Ministers in two years and ten months, not seven years like me.

HON MAJOR R J PELIZA:

I am not suggesting for a moment that we should do away with the Minister for Economic Development or the Minister for Public Works, that is not the point, Mr Speaker, but that the man who has got to carry the can and answer for housing is one Minister, the Minister for Housing. It is up to him to push the other two Ministers, whoever they are, to perform their duty in respect of what he is responsible for. That is the point, Mr Speaker, because that is the only way it can be done and then the threat of resignation from the Minister.

HON H J ZAMMITT:

On a point of order, I have not for one moment said I am resigning.

HON MAJOR R J PELIZA:

Who said so?

HON H J ZAMMITT:

I understood the Honourable Member to say that the Minister was on the verge of resignation.

HON MAJOR R J PELIZA:

I have not said that. Then the Minister who is responsible for Housing, Mr Speaker, he has got a weapon in his hand because if the other Ministers do not perform in accordance with what he says, he can resign. That is what I was going to say. This is where the integrity and responsibility of the Minister comes in.

HON H J ZAMMITT:

Mr Speaker, I think it is intolerable that the Honourable Member can come along and say things about the integrity on an individual who has had nothing but kicks for the last seven years and if I

had to resign I would not have to ask the Honourable Member opposite to encourage me to resign. All I can say, despite my illness, is that if my Government want me to stay in housing I shall stay in housing.

HON MAJOR R J PELIZA:

Mr Speaker, I was not referring to him, I was talking generally because what I am saying is that this is the way it should be done. If I have my principles and I think I cannot carry them out then, Mr Speaker, I as Minister would go and I would ask the Chief Minister, whoever it may be, I am talking generally now, to find somebody else because I could not perform the job that had been given to me to perform. That is the point I am trying to make. It is a difficult one, of course it is, no one is in doubt about that but not because it is a difficult task are we going to leave it there. The easy way is to bring out all the difficulties that there are, that is the easy answer but this is not what we are in Government for, Mr Speaker, it is precisely to overcome those difficulties so I would suggest Mr Speaker, that if any other motion on housing comes to this House there is a Minister who will reply and then if the other Ministers want to come out in support, that is a different matter. But to spread it the way that it has been done today to me is a very clear indication that my Honourable Friend on the right is absolutely square on. If we think of modernisation purely and simply as doing away with slums we are missing the point. The object is to produce more houses and as a sideline you do away with slums. In this instance it looks as if the Government is beginning to see the whole thing in a different light. Now they are going to put money into housing and now they are going to do it in a different way, suggesting that people should come along invest the money use their brains and try and do that, excellent idea, Mr Speaker. I go with that, not entirely because there are many other ways but it is taking a long time to make them go that way. They were obsessed with the idea of modernisation. They thought that was going to solve their problems, the way they used to think before. We knew perfectly well, Mr Speaker, that this was not going to be the case and we have always kept saying so all the time, that modernisation was not the answer. At last they have realised that modernisation is not the answer. The only trouble is that they have not got anything else to replace it because no one has come today saying how they see the way ahead to really overcoming the problem of housing in Gibraltar. We are nowhere near the beginning of overcoming this which is the first priority for the Government of Gibraltar, because after food comes shelter and it is really in the home that character is really built. Education without a good home is difficult, education with a good home starts in the family. Social problems start from a bad home in every sense. It is rather a pity that this has been so neglected for so many years and that so little has been

produced by this Government in that respect. That is the truth, Mr Speaker. Then we go back to the social medical cases and young applicants. Have they said how they are going to go about it, is there a plan going side by side for young applicants? I haven't seen one, after so many years there isn't one, and yet we have lots of young people who want to get married and they cannot. In fact, the ordinary way of doing it is to try and get in with their in-laws and so create problems inside that particular house so that then because of overcrowding, they may get accommodation. You should give those young people the opportunity to be able to help themselves which of course is the plan I have and I have said it here before, Mr Speaker, so I am not going to repeat it. Nothing in a big way is done in that respect. Similarly, nothing for the medical cases which again should be another channel which should be up the sleeve of the Government and, naturally, the social cases as well. Mr Speaker, over many years the problems have been there and nothing really concrete has been done, nothing at all. Just a lot of talk, Mr Speaker, and no more and then of course they get annoyed when they see their image reflected in words which is what happens in this House. We are the mirror of the Government, and they cannot say this is not so because they know perfectly well that on occasions when they are right we say so without hesitation, sometimes even more than we should, if you are thinking of popularity, Mr Speaker. I hope that they take seriously what I am saying and if I am saying it in the manner that I am, it is purely and simply to stir them up which is in fact what I am supposed to do. I will refer now to the administration. I do not think my Honourable Friend referred in any way to the actual people working in the Housing Department and if the Minister is under that impression I am sure my Honourable Friend will put him right now. I think he was referring to the structure that I have been referring to now. Mr Speaker, it is the man on top that breaks or makes anything in an organisation where he has got the power. In the United States it is the President, in a company, it is also the Chairman, Mr Speaker, in a Regiment the Commander, in a Government the Chief Minister and one can see when there is a change how all those difficulties that existed in that particular regiment or in that particular company or in that particular country was changed simply because the man on top changed. All those difficulties seem to disappear. Why, Mr Speaker? What before could not be done now it is done and this is, Mr Speaker, what my Honourable Friend was referring to, referring to the structure, the way the housing problem is run, that one Minister should be responsible and that Minister should have the stature within the Government to be able to command the support of all the other Ministers and all those who help to make the housing problem come to fruition. That has not happened for the past year, Mr Speaker. Since there was a change of Government it has not happened and unless the Chief Minister does something urgently it will not happen before the end of this Government. Then, of course, I hope the people

will realise that there is need for a change and perhaps there will be a change at the top and from there there will come changes. Mr Speaker, I think I have made my point and I hope that no ulterior motive is put now to what I have said because there is no ulterior motive other than one thing, to bring more houses to the people of Gibraltar which they need so badly, which is the basic thing of a happy community.

HON CHIEF MINISTER:

Mr Speaker, people who have no links with Parliament occasionally call them "talking shops" and I think the Honourable Member who has preceded me has really given credit to those who think that Parliament is a "talking shop" because he talked so much that was purely unnecessary but of course we all know his propensity when he gets up he very rarely knows when to sit down. The problems of housing are big and I think they were highlighted this morning by the Minister for Economic Development and by Mr Bossano. The ideas of better housing, more housing is of course one to which everybody subscribes. What we cannot tolerate is a remark like saying that the Government is insensitive to the requirements. If only for a reasonably comfortable life one would want to be even selfishly sensitive to that but it is much more than that because it is not now, it is the backlog, and that is why there is one thing that Mr Bossano said this morning with which I don't agree and that is the fact that the Government at this stage in England, in the development programme, has attached very low priority to; housing (a) because, presumably, when the time comes they will say that the money is limited and it should go to something more productive and (b) because they may think that we ought to contribute more though we have contributed quite a lot. On the other hand, the other difficulty of the problem which Mr Bossano referred to which is a very big one and that is the increase of the proportion of publicly owned flats to private flats is big for one very good reason. First of all, because there was nothing done before the war for 150 years of colonialism to house anybody in Gibraltar and the post-war generation inherited this and the other reason is because even if there was an incentive for people to build their own houses the military have held too much land in Gibraltar and have given very little land for the people to be able to develop their own dwellings. One can only see, though at very great expense, when there has been available places where people can build houses people who have been able to do so are people who might have well been on the waiting list not because they are not insufficiently in a position to pay for their own house but simply because they didn't have where to build them. This is one reason which sometimes I use to strengthen my argument when we argue with the United Kingdom about housing, about the fact that we are suffering from a lack of amenities. Before the war if you had to live six or seven to a room and you didn't want to, you just went across and found a little house in La

Linea with a patio where you could keep chickens, you could have all the comforts you wanted and come in daily and as a result of which, of course, both in the evacuation when we were landed with many more people than Gibraltar was responsible for, all British subjects living in La Linea, and subsequently after repatriation when people started to gradually go back again in reasonable circumstances, in February, 1965, at the stroke of a pen the people who were living in La Linea were deprived from crossing the frontier every day and we had an influx of a number of people. On both occasions Gibraltar was landed with more people than its population, landed with people who were evacuated, British subjects who were brought here from Tunis, from Morocco, from Spanish Morocco, from the old French Morocco, Maltese and other people who had lived in Spain, who had had no links with Gibraltar except to get a job in the Dockyard and go and live in Spain from the beginning. These are the factors that have worsened an already bad situation with lack of space. These are big problems and it has been made worse by the cost of building nowadays and despite reasonably good wages, the fact that there has been traditionally an attitude here, perhaps because of living over the years in very difficult and cheap accommodation, the reluctance to pay a reasonable proportion of the wages of a person towards rent. That has always been a minor matter in people's budgets when in fact in any modern society it goes up to about one sixth of one's income in rent. Some of the remarks made by Mr Bossano this morning were very pertinent ones and I look forward to reading the Hansard because there were a number of remarks which he made which deserve to be considered, if I may say so, with respect, a little more than the generalities made by the mover of the motion. The Government has not got a statutory duty to provide houses to the people of Gibraltar. There are Local Authorities in England who have and that is why you read of cases of people who come into a borough and they have to be housed in hotels at the expense of the local authority. We haven't got a statutory obligation but because of the neglect over the years, the new constitution, the devolution of power to the people of Gibraltar after the war made it a necessity to provide proper housing because there had been none at all before. In the old days they gave out long leases to landlords and compelled them to put them in a good state and keep them at controlled rents. At one stage, no doubt it was a way in which to make a reasonable profit but later on it became so burdensome that people were offering up their leases long before they expired because it was no longer profitable because the proportion of the controlled rent to the cost of repair was such that it didn't pay any profits at all, in fact, in many cases it became a burden. I will just mention one or two of the points on this to show that the problem of housing is a fundamental one, a very big one and no number of motions in this House can solve the problem because there isn't enough money to build all the houses that are required in this generation, and we have done I think 5,000 houses post-war,

of which 700 may have been planned in Veryl Pegg Estate, but there were 5,000 houses. The City Council of Gibraltar started agitating for what is now called the Alameda Estate, that was done before the House of Assembly came into being, that was in 1947 under the aegis of the City Council though, of course, with central Government funds. On top of that, of course, came the difficulties arising out of the closing of the frontier when the responsibility that the Government was exercising with its own money towards housing was impossible and that is why the grant of development aid were totally, or rather the provision for housing was made totally later on it was made on a basis of 90%. We have a programme, it is in the development programme which was submitted in February of this year and over which we have been speaking in other matters in the last few days about the future of it. There is no doubt that with the cost of flats at £40,000, it is not a practical proposition, as Mr Bossano said this morning, to undertake to re-house the whole of the people of Gibraltar out of funds and providing flats at heavily subsidised rents and even then they are considered high by some people. To say we do not care is ridiculous. The Honourable Mr Canepa mentioned the fact that I see certain people, I do not like to talk about these matters but when there are accusations of insensitivity I can tell the Honourable Mover that I have even had people stay in my house, particularly women and children who have been left in a car at night and have had nowhere to go and have called at my house at 11 o'clock at night and we have given them a nice bed and a breakfast until I could help them the next day. To say that we are insensitive to this is ridiculous. I entirely agree with what Major Peliza said that 60% of social problems arise out of difficulties in housing and so on, everybody knows that, but equally everybody knows that there is no modern western society, not to mention any of the other types which has solved its housing problems. It is almost, I would say, a conviction of 20 centuries of western civilisation that here we are and in most places where people live in luxury and wealth and here we haven't got that opportunity though people live better than others, of course, that certainly western civilisation has not solved the very essentials in respect of their housing. Western civilisation may have solved its own problem in respect of food and has left two thirds of the world without it but it has failed to cover the essential needs of a decent life of having a proper roof over its head and live in reasonable comfort, that it hasn't solved, and we in Gibraltar have got a number of handicaps why it has been made more difficult. The failure to do anything for 150 years, the increased population and the limitation of space to encourage people to have their own private houses. One final word; accusation has been made of the fact that three ministers have spoken to this matter. Of course they have, because they each have in his own sphere a responsibility in respect of housing. If you make the Minister for Housing the overlord of everything and say: "I want all the rest of the budget subjugated to more houses", and leave the Port, the Medical Services, the Prison, all the other things about which we have questions

as to why don't we do better on this or that, of course he would be very popular for a debate but then of course he would leave the legacy of all the other problems behind him. Of course we are doing what we can in housing. I think we are doing more than this community really should contribute because of the fact that we have had to pick up years of delay and yet there are 5,000 new units nowadays, people who are living in reasonable comfort, and of course there are a number who are waiting. There is only one point that has been made about the numbers who are waiting, and that is that all the applicants do not require houses. One flat can solve two, three or four problems in the list that we were given earlier on by the Minister because somebody who is down for a four-room and kitchen has a three-room and a kitchen and that is available for somebody who requires a three-room and a kitchen which leaves a two-room and a kitchen and so forth so, really, to kill the core of the problem, we are talking about something between 500 and 600 flats in the course of the next five or six years. We may be able to do 250 or 300 if everything goes well with this Development Programme, we may be able to have more sites where people can use their ingenuity and help. It is true, I know for a fact, I visit flats, that people who buy old tenement buildings which let them at not very high rent but much higher than they would warrant on conditions of contract that they have to carry out, that people spend a considerable amount of money to prepare their own dwellings and they make marvels out of very little places. Yet, when in order to try and save this duplication of costs, we try to bring the cost of Rosia Dale, which was high enough by not putting tiles on them, people started to claim rebates of rents and so on. This is not possible. If the people of Gibraltar want more houses as we are going to give them, and in any case it will be required because we have a considerable amount of loan commitment for housing, but if we do not get a reasonable fair share of development aid in the next programme for housing and we want to go it as the House clearly shows it, it will have to be paid for.

MR SPEAKER:

I will now call on the Honourable Mover, Mr Andrew Haynes, to reply.

HON A J HAYNES:

Mr Speaker, may I first of all take up the challenge made by the Minister for Housing who asked which sector of the community would I favour and at the cost of which sector in regard to housing. This challenge has been put to me before and I thought the answer to it from our side of the House was clear in the terms of the motion. When only 33 applicants in the waiting list were given new houses, or when only 21 houses

are made available or 21 units made available through modernisation, you inevitably cannot meet the problems of the housing stock. We are not saying that we should give it to these people rather than these people, what we are saying is that with that small quantity you cannot hope but to inevitably hurt a great section of the community. It is because we are not satisfied with the amount of stock that is being produced, that we are complaining. We are not complaining because only one section of the community is being favoured and it should be another section of the community. That is not the point, Mr Speaker, we are not saying that there are enough houses and that you are giving it to the wrong people and we should give it to young applicants only, we are saying there are not enough houses and no matter how you distribute them you will not satisfy the problem. We are not here going to say you should give the houses to the young people. If the Government was producing enough houses there would not be a problem. That is the basis of the motion, that is why the motion is in the terms of a re-appraisal of the housing policy because it is not who it is being given to that is wrong, that is not our problem, that is not what we are complaining about, the problem is that there are not enough houses, Mr Speaker, so why does this challenge come up continuously, it is completely irrelevant, Mr Speaker. We are not advocating the favour to be granted to one group and not another. The Minister went on further to say that his sympathy lies wholeheartedly behind those who have been waiting in the waiting list. If that is the case, why the programme of modernisation which does not help those people, those people who have been abandoned on that waiting list for years, and now we have this lip service to their rights. I would like that to be reported, that is, I think, for me the essential point, that we are not quibbling about who should be given a house. There is not enough cake to go around so there is no point in quibbling as to who should get it. We are saying there should be a bigger cake and then the problem will not even arise. We are quite satisfied with the distribution in terms of percentages for medical and social but what we are asking for is a re-appraisal of the housing policy because it is the housing policy that is wrong and not the class or sector which is being housed. So why the challenge Mr Speaker, I think that answers his point. It is on this point of re-appraisal of policy that we believe the answer lies. We believe that if Government's mainstream policy as regards housing is a new development programme, a large scale project, and that as subsidiaries they have modernisation, home ownership and all the other assorted small elements then, perhaps, one of those small elements could be something just for social cases of the different types, for medical cases and these would be subsidiary to the main branch in keeping with the percentage formula stipulated by Government. But they don't seem to see the point, Mr Speaker, they keep on inviting me to say: "No, we favour such a group", so that they can go to all the others and say: "Look, you see, if you vote for Mr Haynes he will only be giving houses to those". I know what he is getting at, Mr Speaker, he is being purposely obtuse on this matter.

HON H J ZAMMITT:

Mr Speaker, if the Honourable Member will give way. I regret that the Honourable Member has taken that attitude. I was trying to ask him because I cannot see, and accepting that there is a housing shortage, I cannot see him coming up asking in this motion that we should give particular attention to social cases, medical cases and young applicants. I was asking the Honourable Member that if he wants us to increase our percentage of social cases or medical cases or young applicants, who does he suppose or suggest Government should change its percentages in favour of. He has now said he agrees with the percentages. I would like him to clarify in the House today if, in fact, his policy of allowing squatters to squat and giving them an advantage over people on the waiting list is his policy, because he has seen me on this issue and he has seen me on people who have been waiting 30 years and I think he knows who I am talking about and he has seen me about people being dispossessed and he has seen me about medical cases and then of course, my answer is: "Well, what priority are we supposed to follow?" That is what I would like to know. It is very easy to say we should build more houses but we have accepted we have not got them. 2,000 years ago, Mr Speaker, there was a certain being who could provide fish for 7,000 with only 5 fishes. This Government cannot do it and least of all can I, Mr Speaker.

HON A J HAYNES:

Mr Speaker, we come back to the same point. He is asking me, in the knowledge that not everybody can be benefitted, to those who is going to be the lucky person. What we are trying to point out is that the position he has found himself in that you can only cause hardship is a way of criticising, not the person to whom you are giving your favours. We don't want to see this Government in the position that only one out of hundred, or something in those terms can be benefitted. We would like to point out not that number four should be given priority but that the Government should be producing not one but fifty or hundred units to meet those hundred people. That is our point. We are not asking for favour to one person and the reason why social cases, medical cases and young applicants were brought in, was to emphasise the importance for a re-appraisal of policy because these are the young people that we are talking about. They are at the bottom of the list, they are the last to be served and they already have severe problems. The way the housing is being conducted at the moment by the time their turn comes, it could be disastrous. The importance of bringing that into the motion was to emphasise the need for a reappraisal of the policy because these are the last people in the list and they are already suffering. It is disgraceful that the children of Gibraltar should suffer bronchitis as a result of dampness when this is not seen in the Western World,

that is the point we are making. When that is apparent, when the social cases are prevalent in the youth, when the young married are having extra problems, when these problems can be originated in housing and these same people by the Minister's own confession will not be dealt with for such a long time, doesn't that of itself warrant a reappraisal of housing? That is what we are getting at. We are not saying they should be put at the top of the list, we are saying move the list along. I don't know how many times I have to say it, Mr Speaker, and if the point of insensitivity comes up again, the insensitivity, Mr Speaker, is apparent in these same people who come to see me. I am not, as has been alleged, making a political football out of this otherwise I would have, perhaps, gone into detail on the individual cases. I have opted not to because I respect the dignity of the individuals involved and I will not, unless I am pressed, and without their consent, bring them into this matter. There is the proof of insensitivity, Mr Speaker, and it is no joke or figment of my imagination. I see it every single day, Mr Speaker, and the insensitivity is further progressed when for the last two months I have not been able to make any progress to see anybody about any of these cases, Mr Speaker. That is what hurts me. I find it frustrating that none of these points were answered, that the Minister for Labour and Social Security has not made a statement on the Family Care Unit, that the Minister for Medical and Health Services or the Honourable Minister for Municipal Services as a doctor has made any comment on the veracity and the validity of these claims on the medical cases, nothing of that has been reported. Instead what do I get? I get the Minister for Economic Development jumping up and down and complaining that I am distorting facts in relation to four houses when I should have referred to thirteen. I accept, that thirteen units would have been more accurate but that was not the main point, it was just a minor point of what I am saying. The distortion, Mr Speaker, if there is one, lies in the fact that this motion has not been answered, and yet we have the same Minister saying it is true that this House is greatly concerned and that the continued and escalating housing problem in Gibraltar cannot be denied but then they cannot agree with the rest of it. I think if you accept that point that we have a continued and escalating problem, the rest must follow, Mr Speaker. We need a reappraisal. It is also apparent to me from the Chief Minister's statement about how housing as a policy has evolved in a sort of historical manner, that nothing concrete has ever been laid down, no one has ever sat down and thought out a policy on the matter, Mr Speaker. That is what we want. I know, Mr Speaker, that however hard this Government tries to solve the housing problem, the solution will not come overnight and it is because the people are going to be asked to wait for a long time that I ask for great sensitivity because a bit of compassion goes a long way to help wait out the years. Mr Speaker, I come to the further argument of the Honourable Member, the Minister for Economic Development, who levied a

personal attack against me. He always seems to use invective when treating with my motions. I must say, Mr Speaker, it does hurt but I shall not resort to the same. I would like the press to report that I have been subjected to personal invective by that Minister and yet, Mr Speaker, he was talking about his humble talents and his humility as a politician. We also had the Minister referring to the difficulties of undertaking development on a large scale at this present time and referring to the many fiscal problems involved in such a matter and he used the figure of £28m for a project. It is difficult to analyse whether such a figure depends on the terrain to build on or whether it is just a figure to frighten us from asking for a development. In fact, Mr Speaker, he made no reference to his Government's inability during the last Development Aid Programme to use that money fully and I believe that that Development Aid Programme, the last one, was not used to its full capacity and never to its full capacity as regards housing.

HON M K FEATHERSTONE:

If the Honourable Member will give way. The amount of money being used in the last development programme which is finishing early next year, will not only use up all the money granted to us, but will use a considerable amount of our own money.

HON A J HAYNES:

The Honourable Minister in his contribution stated that as more houses are built and the subsidy is increased, this results in an accumulative cost to Government and I got the distinct impression then that perhaps he was giving an excuse for Government to drag its feet and perhaps it has been intentional on this matter not to build so as not to have the subsidy. If that is the case, then I think it should be made known publicly that this Government does not want to build houses at a greater pace because they are frightened of increasing the subsidy.

HON M K FEATHERSTONE:

If the Honourable Member will give way again. What I said was it will cause an increase in subsidy and it will have to be paid for and I also said that this Government, unlike the Opposition, is willing to put their hand in their pocket.

HON A J HAYNES:

It is not this Government, it is the people that we are talking about and perhaps we would show more confidence in measures of taxation if we were able to accept that this money was to be used efficiently unlike the present record. Mr Speaker, the Minister has also stated that the money that was used was

overseas development aid. Where the targets aimed met? Can he say yes? The answer is no, Mr Speaker.

HON M K FEATHERSTONE:

I can only say that slippage in our Government was the lowest slippage that we have had to date.

HON A J HAYNES:

We had the Minister for Housing saying that the problem was not two years old. I also made that point. The point is, Mr Speaker, that in my three years the problem has not improved and I would particularly emphasise that it has been progressively worse over the last six years. This brings me to a point made by all the others about the history of the housing problem. We all know that Gibraltar had a backlog to deal with after the war, after the closure of the frontier, but all these problems were met with new development and as my colleague the Honourable Major Peliza has stated, it is not for a Government to come and tell us how difficult everything is, it is for them to do something about it and his administration did do something about it. Then we had the Honourable Minister for Housing refer to his hobby horse of musical chairs, which is the decanting of overhousing, to solve 50% of the housing problem. Here is an area which has substantial merit but it is also prone to pitfalls of a personal nature. This policy should never adopt a bullying style of tactics. The Chief Minister shakes his head at that suggestion. Mr Speaker, people have come and told me that is what they feel. Again, another case of insensitivity. And that is not the answer, the answer is to build more houses. How often do we have to say it, Mr Speaker?

HON H J ZAMMITT:

Mr Speaker, if the Honourable Member would give way. I regret that he has again taken this attitude because although I accept that it has its pitfalls, I think he will have to agree that it is much more pathetic, taking up his previous argument, it is much more pathetic at least to me to see four or five children being brought up in one room than to tolerate a person being subsidised very heavily, invariably on rent relief, living alone in four rooms.

HON A J HAYNES:

Mr Speaker, I quite agree but the point is you cannot make those individuals who are overhoused the scapegoats for your housing problems. They are not the cause of the housing problem and they shall not be made a scapegoat by this side of the House. Then the Honourable Minister referred to Casola's Building, I made no reference to Casola's Building myself. The Minister said that there, after my motion, they

had acted promptly. Well, Mr Speaker, I remember that that motion was defeated and nevertheless they acted quickly, so they say. There are still people in Casola Building. They moved out the very worst. That one of those should have opted to go back does not give the Minister or anybody else an excuse to say: "You see, we can't help these people". They are people, Mr Speaker, they are entitled to proper housing accommodation. They were living in unfit accommodation, certified unfit accommodation, and it is not for the Minister to say: "Oh, we helped them, and look what they've done". He is there to help and if they don't show any gratitude, that is too bad. Perhaps, if he had bothered to form a personal kinship with these people, the problem would not have arisen. I think I meant friendship, Mr Speaker. The point I was trying to make there, apart from one further instance of insensitivity and a point which gives me some considerable hope is to think, I know this motion is going to be defeated, not by merit, not by justice but by a simple majority.

MR SPEAKER:

One must be careful not to suggest that we are doing something unjust in the House.

HON A J HAYNES:

I don't wish any injustice. Mr Speaker, I take hope and confidence in the fact that though the Casola Motion was defeated, action was taken afterwards. Not enough, because there are still people living there, but I hope that this motion, though defeated, will be acted upon. That is why I have not made it as vicious as I could have and I have perhaps motives or ammunition to make it such and I have opted not to do so. Lastly, Mr Speaker, I would emphasise a point I made earlier on. This has also been taken up by my colleague, and that is the present unhappy state of affairs where the responsibility in ministerial terms is not clear. In administrative terms it takes shape in the fact that four men or more are responsible for housing. In a more personal sense, the Minister for Housing has been there a long time, he has obviously been subjected to personal illness which none of us on either side of the House wish, it is time for him to be relieved of his duties and for another man to take his place. Here, Mr Speaker, I am sorry to say, I do not see any great willingness on the part of any of the Members on the other side to take up the task. Mr Speaker, it is a sorry note that now when we have the gravest housing problem, that no one should be seen to be directly in command. We hope with this motion to underline the need for a clear policy, compassion and a general impetus which all of us on this side will be able to support and encourage. With that, Mr Speaker, I commend my motion to the House.

Mr Speaker then put the question and ruled that the motion was a motion of no confidence in the Government and consequently the ex-officio Members of the House were precluded from voting in accordance with the proviso to Section 44(1) of the Gibraltar Constitution Order, 1969.

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

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

The following 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 motion was accordingly defeated.

ADJOURNMENT.

HON CHIEF MINISTER:

Mr Speaker, I beg to move that the House do adjourn sine die and in doing so, having regard to the time of the year, I would like to extend to you and to all Members of the House a very Merry Christmas and a Happy New Year.

HON P J ISOLA:

Mr Speaker, I would like to join in the felicitations both to you Mr Speaker, and to the Honourable Members opposite.

MR SPEAKER:

May I also express my sincere Christmas greetings to all Members of the House, to the staff of the House who help us so efficiently all through the year, the Hansard recording staff who patiently sit in the House recording what we have to say and, of course, the members of the Press and the Gibraltar Broadcasting Corporation.

Mr Speaker then put the question that the House adjourn sine die which was resolved in the affirmative.

The adjournment of the House sine die was taken at 5.00 p.m. on Monday the 21st December, 1981.