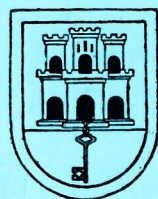


GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

17 March 1982
Vol. 1

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Tenth Meeting of the First Session of the Fourth House of Assembly held in the Assembly Chamber on Wednesday the 17th March, 1982, 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 Zammitt - 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 J Bossano

ABSENT:

The Hon A J Haynes (who was in the United Kingdom attending a Parliamentary Seminar)

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, 1981, having been previously circulated, were taken as read and confirmed.

COMMUNICATIONS FROM THE CHAIR

MR SPEAKER:

Gentlemen, I wish to refer to the incident which took place during the morning sitting of this House of Friday the 18th December, 1981.

Members will recall that the Chief Minister's contribution that morning to Mr Bossano's motion on the closure of Her Majesty's Dockyard was interrupted by persons using a loud hailer system. These interruptions were of such a nature as to leave me with no alternative but to recess the House.

When the sitting was resumed that morning I quoted from Erskine May on what can constitute breaches of privileges and contempt. I said that any act or omission which obstructed or impeded the House in the performance of its functions or which had a tendency directly or indirectly to produce such a result could be treated as a contempt.

I would like to say that the fact that crowds were assembled in front of the House to show support for the motion gave no grounds for complaint and indeed it can be said that the crowds behaved in an orderly manner as is evidenced by the fact that there were no interruptions during Mr Bossano's contribution to the debate.

May I add, as an aside, that in order to facilitate the attendance of Members at the House without interruption I can give directions that the Commissioner of Police shall keep during the sittings of the House the access leading to the House free and open and that no obstruction shall be permitted to hinder the passage thereto of Members.

I have no doubts that the conduct of those using the loud hailer interrupted and disturbed the proceedings of this House and tended to inhibit Members in the discharge of their duties. I therefore rule that the actions of those persons and in particular of the Hon Mr Bossano, a Member of the House, in addressing the crowds immediately he had moved his motion, and whilst the House was still in session, did constitute acts which in effect obstructed and impeded the House in the performance of its functions.

The power to punish for contempt, of course, is in its nature discretionary and must be governed by the circumstances giving rise to such contempt. In this particular instance I consider that because of the time that has elapsed since the incident in question there is no further action I should take.

However, the fact that I have considered it necessary to make a ruling will I feel sure highlight the seriousness with which I view such conduct.

HON J BOSSANO:

If I may be allowed to say a few words in relation to the ruling on the incident that took place. Let me say, on a technical point, that when I went downstairs and addressed the crowd in Spanish, you had already in fact recessed the House and I believe at the time that the Chief Minister was making his contribution, I left the Chamber to go into the Ante Room because I was called by somebody who had come up the stairs to find out at what stage the House was in considering the motion and he mistakenly assumed that I had gone downstairs at that point because in his contribution he said that it was unfair of me not to listen to what he had to say since he had listened to my own contribution but in fact I was outside and I was listening to him. After that I returned to the Chamber and when it was felt necessary to recess the House because the loudness of the loud hailer downstairs being used to address the crowd was in fact making it difficult for Members to hear what was being said in the Chamber when it was decided to recess, it was after that that I joined the people downstairs and I explained to them what was happening. I do accept, however, that the fact that I continued with the crowd downstairs and addressed them, effectively, could be said to have inhibited your right and your freedom to reconvene the House whenever you chose to do so and to that extent and only to that extent I accept that my action in going downstairs and addressing the people was an inhibiting factor. I want, of course, to make quite clear that it was never my intention to disrupt the House nor do I hold the House of Assembly in contempt, if I did I would not be a Member of it and I regret that the matter developed in such a way that a motion that was brought to the House in order to get full support for the position of the trade union movement, deteriorated almost into a situation of industrial dispute within the House itself. I hope the matter will not recur again.

MR SPEAKER:

I am much obliged for that.

DOCUMENTS LAID

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

Gibraltar Broadcasting Corporation annual accounts for the year ended 31st March, 1981.

Ordered to lie.

The Hon the Minister for Public Works laid on the table the following document:

Principal Auditor's Report on the accounts of the Gibraltar Quarry Company for the year ended 30th November, 1980.

Ordered to lie.

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

- (1) The British Commonwealth and Foreign Parcel Post (Amendment) Regulations, 1981.
- (2) The British Commonwealth and Foreign Post (Amendment) Regulations, 1981.
- (3) The Local Post (Amendment) Regulations, 1981.
- (4) The Hotel Occupancy and Air Traffic Surveys Report - 1981.

Ordered to lie.

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

- (1) The Social Insurance (Overlapping Benefits) (Amendment) Regulations, 1981.
- (2) The Employment Injuries Insurance (Claims and Payments) (Amendment) (No 2) Regulations, 1981.
- (3) The Social Insurance (Contributions) (Amendment) Regulations, 1981.
- (4) The Employment Injuries Insurance (Benefit) (Amendment) Regulations, 1981.
- (5) The Social Insurance (Benefit) (Amendment) Regulations, 1981.

Ordered to lie.

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

The International Trunk Calls Charges Regulations, 1981.

Ordered to lie.

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

The Litter 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 4 of 1981/82).
- (2) Supplementary Estimates Improvement and Development Fund (No 4 of 1981/82).
- (3) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 5 of 1981/82).
- (4) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 6 of 1981/82).
- (5) Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No 4 of 1981/82).

Ordered to lie.

REPORTS OF COMMITTEES

HON G T RESTANO:

Sir, I have the honour to lay on the table the Second Report of the First Session (1980) of the Public Accounts Committee. If I may at this point, Mr Speaker, draw Hon Members attention to the fact that one of the members of the Committee has not signed the Report, the reason for that is that Mr Haynes was absent from Gibraltar on Parliamentary business when the Report was printed, he is, of course, in agreement with the Report and he has in fact signed it but the paper has been held up in the post and has not yet arrived.

MR SPEAKER:

I confirm that I have received a cable from the Hon Mr Haynes confirming that he is in agreement with the terms of the Report and that he will sign it when he returns to Gibraltar.
Ordered to lie.

ANSWERS TO QUESTIONS

ORDER OF THE DAY

MINISTERIAL STATEMENTS

MR SPEAKER:

The Hon the Minister for Economic Development and Trade, the Hon the Minister for Public Works and the Hon the Minister for Education and Labour and Social Security have given notice that they wish to make statements. I will therefore now call on the Hon the Minister for Economic Development and Trade.

HON A J CANEPA:

Mr. Speaker, following a detailed study of the existing policies and procedures in relation to the acquisition, holding and disposal of Crown Lands in Gibraltar, the need for a revision was clearly identified and this, I am pleased to inform the House, has led to the appointment, by administrative directive, of a Land Board which has been charged by the Governor with responsibility for the management, development and allocation of all lands under the control of the Government. This decision has also been motivated by the desire to simplify and speed up the process of decision-making.

I may remind the House that the formulation of lands policy and the actual acquisition, administration and disposal of land pursuant to that policy are, in law, the responsibility of the Governor acting in consultation with the Gibraltar Council and, whilst this responsibility has in practice been delegated to some degree, it became apparent that a more comprehensive approach was called for in the light of modern conditions.

The setting up of this Board is thus intended to expedite decisions relating to land transactions and to ensure that these are taken in a more cohesive and coordinated manner within the parameters of the Government's economic and social policies.

The Board will be composed of persons with expertise in property management and other disciplines. It will also have the benefit of legal advice. The composition of the Board will thus be as follows:-

The Minister for Economic Development - Chairman
The Minister for Public Works
The Attorney-General
The Financial and Development Secretary
The Chief Planning Officer
The Surveyor and Planning Secretary, who will also be the Executive Officer of the Board

It is open to the Chairman to decide to nominate another or additional members and for Gibraltar Council to amend the directive accordingly.

The Board will be serviced by the Lands and Surveys Department which will be reconstituted as a Crown Lands Department. The staff needs of this organisation are being investigated by the Establishment Division to determine the staff structure of the Department necessary to discharge its professional, technical and administrative functions and to give the Board and the Development and Planning Commission the essential executive and logistic support required.

These arrangements are the precursor to the enactment of a Crown Lands Ordinance which will deal with the Land Board and connected matters. The proposed legislation will define standard tenures and spell out standard terms and conditions of tenure. It will also publicly demonstrate the basis on which Crown Lands are held and dealt with.

I should also mention that, as a result of these changes, tenders involving disposal of rights over land will no longer be adjudicated by the Treasury Tender Board. Land is more complex than other assets or services and disposals often involve factors of a policy nature, both social and economic, which might make it necessary, in the public interest, to override financial considerations. These responsibilities have accordingly been transferred to the Land Board.

Following on these arrangements, the new Board is now responsible to Gibraltar Council, through the Minister for Economic Development, for the disposal, acquisition and holding of Crown Lands with the same degree of delegated authority as hitherto and for ensuring that such assets are managed or disposed of in accordance with the dictates of sound estate management in accordance with Government policy. It will also control the user of land by the Government in consultation with the Development and Planning Commission.

It has been my contention, Mr Speaker, that in the devolution of those matters which are the concern of Ministers it is just as important that, within the context of constitutional proprieties, responsibility should be accompanied by the necessary degree of control over the resources available to the Government. These new arrangements are most welcome since they will not only provide procedures better suited to the taking of more expeditious decisions but will also make it possible for social and wider economic considerations, other than purely financial ones, to be taken into account in arriving at decisions relating to the disposal and use of land. I am certain that this will be in the public interest as being of greater benefit to the economy.

HON P J ISOLA:

Mr Speaker, this is a very novel proposition that has been brought to the House and I think it is something on which we will certainly like to reserve our judgement. Certainly it seems to me that this Board composed of, I think I counted two Ministers, the Financial Secretary and the Attorney-General, all very busy people, are going to sit on a Board to decide matters of policy, I suppose subject to the Governor-in-Council and so forth, is not quite clear to me in what way perhaps the Minister could give examples, in what way the whole process of decision making on the use of land or on the disposition of it is going to be accelerated, that is my first question. My second question is, is it now going to be Government policy that the question of who gets land, say, as a result of a tender or public competition, the essential issue who gets land is now going to be decided by elected Ministers who may not be full-time Ministers and is that considered to be in the public interest of the division of powers?

HON A J CANEPA:

I will answer the second one, Mr Speaker, which I think is answered in my statement where I said that "in the devolution of those matters which are the concern of Ministers it is just as important that, within the context of constitutional proprieties, responsibility" - and that is what Ministers have, responsibility for policy of an economic, of a social nature that that responsibility - "should be accompanied by the necessary degree of control over the resources available to the Government". Because the alternative is that the Treasury Tender Board will decide and the Treasury Tender Board, by and large, is guided by other considerations, chiefly financial ones. It could well be that the disposal of a particular site and the use to which it is to be put may well be of greater economic benefit for Gibraltar in respect of a particular project or scheme and yet the tenderer may have tendered a lower premium than in respect of a tender for another scheme where the economic benefit and the employment to be provided as a result of that development could be less and yet the premium is higher. At present the Treasury Tender Board would take a much more narrow view. We in the Land Board will be able to take a much wider view and the economic, social and employment considerations are the ones that should weigh rather more heavily and I think that if Ministers are ultimately responsible it is right and proper that we should be involved in these decisions. As regards the first question, how matters will be expedited? In the first place, a number of the members of the Land Board are also members of the Development and Planning Commission and therefore in respect of the use of land and in respect of town planning considerations, we will be in the Land Board in a more knowledgeable position to give speedy consideration to the matter without having to refer, as has sometimes had to be the case, to Council of Ministers for policy guidelines, we will be aware of what those are. Again, by setting up the Land Board with the powers that it has been given, we do not need to go through the process

of going to Council of Ministers prior to Gibraltar Council in respect of matters which are the concern of Council of Ministers. I said that the disposal of land under the Constitution is for the Governor-in-Council but nevertheless matters go to Council of Ministers beforehand, in fact, I think that this was something that was an issue in the days when my Hon Friend opposite was Chief Minister and I understand that he took a stand on that matter that it should go to Council of Ministers because there were considerations that were of a defined domestic nature, town planning, the question of rates and so on. So we are, in fact, by-passing the need to go to Council of Ministers and to Gibraltar Council and I can tell the Hon the Leader of the Opposition that particularly in the first year after I became Minister for Economic Development, I felt very frustrated at the delay, at the time that it took for matters to be processed and now that is not the case. Already we have had two meetings and matters are moving much more quickly, particularly matters of lesser import can be dealt with much more expeditiously. I am confident that these arrangements once we also get the necessary administrative support, I am confident that the arrangements will be seen by those who have contact with the Lands and Surveys Department, I am confident that they will be seen to be working far better. In addition to the procedures which in the past have led to delay, the follow-up action after decisions has not been all that it should be. I am sure that when we establish a Crown Lands Department, properly serviced, I think that the follow-up action will also be rather better and I myself as Chairman of the Land Board will be in a much better position to push directly for the follow-up action to be taken and that there should not be any unnecessary delay in conveying decisions to interested parties.

MR SPEAKER:

We must not debate the statement.

HON P J ISOLA:

No, Mr Speaker, but I think it is a very important matter.

MR SPEAKER:

The rule as to statements as we all know is that questions can be asked for the purpose of clarification, most certainly, but let us not debate the statement.

HON P J ISOLA:

Mr Speaker, as I listened to the Minister I am afraid that our reservations must grow and our qualms. We must have certain qualms about this Land Board and question whether it is necessary to add to the bureaucratic machinery that we already have. The Minister has said that the Board will be aware of Council of Ministers decisions

HON A J CANEPA:

No, Sir, I have not said that. I said that matters will not have to go to Council of Ministers or to Gibraltar Council.

HON P J ISOLA:

They will be aware of Ministers' policies on particular matters. As members of the Development and Planning Commission they will be aware of the development and planning policy on the matter and it seems to me that if they are aware of all these things one is bound to question the idea of a Land Board, point number one I would like to mention. Point number two, Mr Speaker, and this is one that certainly I think I must say that we disagree with and that is that politicians should decide not on the question of general policy but that politicians should decide whether A or X gets that piece of land because even if they are not part-time politicians, Mr Speaker, they are people in a small community with their faces or heads very close to the ground, they know who supports them, they know who does not and all these things, Mr Speaker, and it seems to me that when it comes to a decision whether A should get a piece of land or B, that decision should be made by normal administrative procedures and not by executive decisions of Ministers and I am afraid that there, as a matter of principle, we must disagree with the proposals.

HON A J CANEPA:

Mr Speaker, if the Hon Member will allow me to answer one question at a time. Ministers will not be deciding. There are two Ministers in a Board of six. The other four are officials. If matters go to Council of Ministers, there are only eight Ministers and nobody else with a vote so when a matter goes to Council of Ministers there it is where Ministers decide and nobody else. Here Ministers are outnumbered. When something goes to Gibraltar Council, Ministers are not in a minority, there are five of us in Gibraltar Council so our decision on a vote is what is going to carry the day. Here we are putting ourselves in a minority. I think it is a shocking imputation to make but I do not mind.

HON P J ISOLA:

I am not making any imputation, I am saying that it is undesirable that Ministers, elected Ministers who could be part-time politicians should decide whether A gets a piece of land or B.

HON A J CANEPA:

I am prepared, Mr Speaker, in the final analysis to put to the test the work that I do in the Land Board to the electorate over a period of time. I am prepared to put that to the test and let the electorate decide whether they think that I am acting in accordance with what is best for Gibraltar and I do not mind having to take a decision as to who gets a piece of land and who does not because I can be completely objective about it.

MR SPEAKER:

I will now call on the Minister for Public Works to make his statement.

HON M K FEATHERSTONE:

Sir, following the Committee of Enquiry into the Public Works Department, the recommendations contained in their Report have now been considered by Government.

The recommendations have been grouped as follows:-

a. Nos. 5, 6 and 14

These recommendations were connected with a proposed merger of the Lands and Surveys Department and the Public Works Department. The recommendation for such a merger has been overtaken by the setting up of a Lands Board.

b. The recommendation that the accounting section should be directly responsible to the Director of Public Works has been accepted; that which relates to making the Department a self-accounting Department has a number of complex implications which make it necessary to defer further consideration to a future date. These are Nos. 7 and 16.

c. Nos. 1, 2, 8, 9, 10, 11, 12, 17, 21, 22, 23, 25, 31, 33, 34, 35, 36, 38, 39, 43, 45, 48, 53, 54, 55, 56, 58, 67, 69, 71, 74, 75, 76, 79, 80 and 81

These recommendations have been accepted and are being implemented.

d. Nos. 3, 4, 18, 29, 30, 32, 37 (in part), 59, 60, 61, 62, 63, 64, 65, 66, 68, 70, 72, 73, 77 and 78

These have also been accepted. They will, however, require further study, at Departmental level, prior to implementation.

e. Nos. 13, 15, 19, 20, 24, 26, 27, 28, 40, 41, 42, 44, 46, 47, 49, 50, 51, 52 and 57

These recommendations have also been accepted but, as they require further resources, they will also be the subject of further study at Departmental level.

HON W T SCOTT:

Mr Speaker, I am grateful for that statement by the Hon Minister for Public Works. However, it would be invidious to think that we would be able to reply in such detail on the recommendations immediately since Government itself has taken well over a year to come up with some answers. In due course we will be studying the acceptability of the report insofar as Government is concerned.

HON M K FEATHERSTONE:

That is your privilege.

MR SPEAKER:

I will now call on the Minister for Education and Labour and Social Security to make his statement.

HON MAJOR F J DELLIPIANI:

Sir, in-service education for teachers is particularly necessary in a small, professionally isolated, education system like our own which is geared to UK patterns but lacks the full advisory and in-service expertise available to local education authorities in the UK and where the fairly static teaching force has a high proportion of young teachers who will otherwise never be exposed to professional up-dating. However, this need not necessarily take the form of one-year special diploma or higher degree courses in the UK as there are a number of alternative approaches to the provision of in-service education which are perhaps much more cost effective and professionally valuable in encouraging progressive ideas in the education of our children and professionalism generally within our teaching staff.

As part of the total in-service education programme for teachers during the next three-year period, Government has decided to proceed with the provision of a BA(Ed) degree course from Hull University organised locally on a part-time basis commencing in August, 1982. The basic course has been specifically adapted to our needs in Gibraltar following detailed discussions between the Director of Education and representatives of the Institute of Education at Hull University and it will be the first occasion that a degree-level course has ever been organised in Gibraltar. All

qualified teachers are eligible for admission to the course and a total of 50 qualified teachers, of which 45 are employed in Government schools, have already registered and been found acceptable by Hull University.

The course is designed to meet both the current identified priority professional needs of the teaching profession in Gibraltar and the personal aspirations of the individuals concerned who will acquire graduate teacher status on successful completion of the course in July, 1985. It should be noted that, out of a total teaching complement of 301 teachers and lecturers currently employed in schools and at the college, 175 or 58% are certificate-trained teachers or lecturers with technical qualifications below degree-level. The acquisition of graduate status will enhance the promotion prospects of these teachers and lecturers on successful completion of the course in relation to the newly-trained teachers now returning to Gibraltar who are all awarded the basic B.Ed qualification at the end of their initial teacher-training course.

The course is organised on a modular basis with two compulsory modules covering (a) Curriculum Studies, and (b) Organisation, Administration and Management of Education, with particular reference to the school situation, forming Part I of the total course content. Part II consists of two further modules chosen from a total list of five likely to be available covering such areas as (a) Urban Education in a Multicultural Setting (b) Language Education in First and Middle Schools, with particular emphasis on language acquisition and method (c) Teachers and the Teaching Profession (d) Mathematics Curriculum Studies with a pupil assessment element and optional computation work, and (e) Science Curriculum Studies with a pupil assessment element and computation work.

The total cost of the course over a three-year period commencing August, 1982, will be approximately £80,000 or about £550 per teacher per year. This level of expenditure compares extremely favourably with alternative approaches to the provision of in-service education, particularly the very costly method of seconding teachers on full salary to one-year full-time courses in the UK with the related need to appoint replacement teachers during the period of leave.

This approach to in-service education for teachers should prove to be an extremely cost effective and worthwhile exercise, professionally valuable to the education service as a whole and the individual teachers who intend to participate. All credit should be given to the Director of Education for his initiative in making this possible.

MOTIONS

HON G T RESTANO:

Mr Speaker, I have the honour to move: "That this House approves the Second Report of the First Session (1980) of the Public Accounts Committee". May I, first of all say, Mr

Speaker, that in the first page of the report there is a typographical error and where it says "Audit Reports for the years ended 31st March, 1979 and 1980" it should be 1979/80. The reason for this, Mr Speaker, is that as Members will be well aware there was a considerable backlog which the Committee undertook since it was appointed and there were a number of years of Principal Auditor's Reports which had to be looked at. What we have done in this particular year is that we have finished the Principal Auditor's Report 1979 and we have incorporated within the Report certain areas which are covered also in the 1980 Report. Hopefully, within the next few months, at least the next year or so, we shall be completely up-to-date. The areas that the Committee covered since the last report have been a follow-up on matters which were dealt with in the first report and where action needed to be taken by various departments. Secondly, General Orders. Thirdly, Government Quarters for Civil Servants and, finally, vehicle log books and job cards. On the matters that needed to be followed up, Members will recall that the Committee recommended that Public Works Department stores should be centralised in one area at Ragged Staff and we are pleased to have been informed that in fact that has happened already. The stores are not yet in use because modification to the stores which were taken over from the Ministry of Defence have to be made but we understand that as soon as the modifications have been done, the new stores will be housed. The revised stores regulations, there we have been informed that those have been completed. Obsolete stocks which the Committee felt very strongly about in its last report, stocks that were being kept by the Telephone, the Electricity and the Public Works Departments and which were really no longer required. It was agreed in the Government's Treasury Minute that the obsolete stocks should be done away with and again we have been informed that the Telephone Department's stocks and the Electricity Department's stocks have been dealt with but the obsolete stocks of the Public Works Department have not yet been dealt with although we were told that they would be done by about this time of the year. Your Committee on the obsolete stocks of the Public Works Department recommend that the matter be treated with more urgency and that stores which are left vacant should be used by the Government rather than being allowed to remain unoccupied and particularly those in Wellington Front, and there are quite a number of them there, where it is felt that probably they could be made use of fairly quickly for, perhaps, housing Youth Clubs and the like. On the follow-up to the problems encountered with RYCA, the matter was passed to the Chambers of the Attorney-General. There were two aspects with regard to RYCA, one was the possible recovery of monies and the second one was possible disciplinary action if thought to be necessary. We understand that the matter was passed to the Chambers of the Attorney-General but as far as the Committee is aware nothing yet has been done about this and the Committee is not really satisfied that sufficient priority has been given to taking action as outlined in the Treasury Minute particularly bearing in mind the statute of limitations. After a certain time, of course, it might be too

late if monies could be recovered for them to be recovered because after all we are talking about incidents which happened quite some years ago. The Committee has throughout the last few years been keeping a watch on the way that stores are controlled in the different Government departments. A Committee was set up some years ago under the Chairmanship of the Principal Auditor who submitted a report in May, 1978, making certain recommendations as to how stores should be controlled. It is my understanding that that report has not yet even been seen by Ministers and the Committee feels that this certainly has hindered the Committee in that the Public Accounts Committee has not had the advantage of being able to consider the recommendations made by the Committee which sat for quite some time and concentrated on this particular area alone. The Committee therefore strongly recommends that the report be made available to it. It did on two occasions ask for the report to be made available and on two occasions the Committee was told - and this, let us not forget, four years after the report was made - that it could not be made available to the Committee because Council of Ministers had not yet been able to deal with the report. General Orders was the next item which the Committee looked into. This, of course, is a mammoth task but it is a very necessary task. General Orders regulate the whole life of the civil service and the General Orders which are a pretty massive document have really not been revised for 20 or 30 years. Amendments have been made but nobody has checked whether those amendments have been inserted into the different copies which exist in the departments. The Principal Auditor has for many years been advocating that the General Orders be revised and now they are in the process of being revised but it seems to be taking a lot longer than was promised. The Committee was told that the Orders would be completely revised between August, 1981, and February, 1982, but that of course has not happened so the Committee recommends that, first of all, more urgency should be given to finishing the compilation of the revised Orders. Secondly, that there should be sufficient copies for every department to have and for every officer to have ready access to these Orders and, thirdly, that there should be either a branch of a Government Department or a section to be responsible to ensure that when there are amendments that copies in the different departments are kept up-to-date. The third item, Mr Speaker, is Government quarters. Government quarters, of course, is an area where there is a considerable disparity. The reason for having Government quarters which pay slightly less rent than houses on the general housing pool, was that some years ago salaries of civil servants were sometimes lower than those in other areas and as a sort of perk, I suppose, as a sort of incentive for the civil service they were given quarters and these quarters paid less rent overall than houses in the normal housing pool. Today I do not think that that applies, I think that with parity having been brought in now there is perhaps no case for having civil servants with this sort of perk. Funnily enough in some cases if the Government quarters were to pay the same amount of rent as they would do if they were in the Government housing pool the lower paying houses would pay lower rents and the larger ones

in fact would pay more rent. One of the problems in this area is the question of retired civil servants. It is clearly stated in regulations that when a civil servant retires he should be given alternative accommodation so that Government can offer the accommodation that it has to serving civil servants. We all know that of course housing is not really available, there isn't alternative accommodation to house these officers, but the Committee felt that perhaps it would be unfair for retired civil servants to stay on on a permanent basis in these quarters paying a lower rent that they would be if they were on the general housing pool. In the case of Police and Prison Officers they pay no rent at all, this is incorporated in their salaries but then of course when you have a retired Prison Officer or a Police Officer, their rent is put up to a quarter rent and the Committee felt that this should be revised. There is a report which is going to be compiled by the department concerned, this report is going to be submitted to the Government by the Surveyor and Planning Secretary and the Committee therefore recommends that in view of the considerable number of quarters occupied by retired Prison and Police Officers and dependents, particular attention is paid to these quarters. On the question of vehicle log books. These are daily journey record sheets which should be kept by regulation by all Government vehicles. Up to 1976, or rather prior to 1976, they were allowed to lapse and after 1976 when it was felt that they should be re-introduced there was resistance from the Unions. These vehicle log books should record the reason for the journey, the mileage, the starting point and the destination point and the relevant times. It has been brought to the notice of the Committee that first of all the new regulations have excluded the requirement that vehicle log books should be used and the Committee recommends strongly that they be re-introduced. It is, I think, necessary for proper control to be held over the use of vehicles for log books to be kept and not only to be kept but to be monitored at the same time. One would not want a very expensive system of monitoring which would of course defeat the whole object of the exercise but it is thought to be necessary that a cost effective method of monitoring should be introduced as well. The Industrial Relations Officer who has been dealing with the Unions in this respect, recommended a type of vehicle log books which the Committee did not agree with and that is because it had insufficient data and would be of no use in effect at all. On the question of job cards, Mr Speaker, the same thing applies as to vehicle log books. It would be very easy for jobs to be coded in different departments if job cards were introduced. They would have the same sort of information in them. The Committee looked into a possible job card implementation system for the Electricity Department, the Telephone Department, may I add, does already use a job card system. The Committee felt that there could be considerable savings in work done in the three different departments, in the Public Works Department, in the Electricity Department, possibly those savings are being made in the Telephone Department which do have job cards, if these cards could be introduced. So whilst we do not recommend that they be

introduced we recommend to the Government that they should investigate the possibility of introducing job cards and take the necessary steps to introduce them. Mr Speaker, I would like to finish up by thanking the members of the Committee for their work on the Committee, I think it has become a very good team, and for the assistance given to the Committee by the Principal Auditor, the Finance Officer, the Clerk of the House and Mr Sanchez for his help to the Committee.

Mr Speaker proposed the question in the terms of the Hon G T Restano's motion.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, the Government welcomes the tabling of this Report by the Public Accounts Committee and wishes to assure the House that it will be given full consideration and that a Treasury Minute embodying the Government's reply to the points made in the Report will be tabled at a subsequent meeting of the House.

HON M K FEATHERSTONE:

Sir, I do not want to say very much on this, I think as the Hon the Financial and Development Secretary has said, Government will look at the recommendations and as far as possible will try and put them into effect. I would just like to make a little comment on the question of the vehicle log books. I agree that to have vehicle log books might - I say might - prove advantageous. On the other hand, they can be time consuming and if you are going to have somebody checking them carefully all the time we will probably get recommendations from the relevant departments to have extra staff. I would comment, however, that we are, even at the moment, doing a reasonable check on vehicles. Every time they take fuel their odometer reading is taken and computations are worked out as to their fuel consumption so that we can see to some extent that the vehicles is not being abused at least to too great an extent. I do hear at times people say: "Ah, the Public Works vehicles are used to take somebody privately around". Well, I can tell you a funny story about that. One of my senior officers saw a Public Works vehicle going along with a lady sitting in the seat next to the driver and as he was also mobile this senior officer chased after the vehicle to see who the lady was. It turned out it was one of our younger generation who had rather long hair, it was not a lady at all. The other question of job cards I think is something that would be a very good idea and I will see if we can get at least in some areas job cards going. We do have them working in the garage, they are proving of considerable value and I do take the point that in other departments it would prove advantageous.

HON P J ISOLA:

Mr Speaker, we support the Public Accounts Committee and may I congratulate the Chairman of the Committee and the Committee itself on the obvious pains they have taken to produce this Report. I think, Mr Speaker, that if the useful work that the Public Accounts Committee is doing in drawing the attention of the House to matters complained or matters that require action and the Government accepts the Report, I think it is important that action should be taken because otherwise I think the Public Accounts Committee would feel very frustrated if the Government says: "It is a very good Report, thank you very much", and we get Treasury Minutes but then nothing happens. It seems to me that on the Treasury Minute of the first Report the conclusions of the Committee I think we should take note of that the taking of action as outlined in the Treasury Minute does not appear to have been given sufficient priority and I think that that means that a Committee of this House recommends that action should be taken in a particular matter but action is not being taken, the necessary priority is not being given to that action. I appreciate, as we all do, of the pressures that devolve on the Government and the Ministers and the civil servants but on the other hand they seem to be happy to take additional responsibility, for example, in the Land Board so it seems that they do have a bit of spare capacity and I would have thought that more close control, more close attention should be given to the implementation of the recommendations of a Committee of this House which are accepted by the Government and which it proposes to take action on because if this reflects the position in other matters of course it must be of concern. Mr Speaker, may I mention in particular the question of General Orders. If I remember rightly some years ago there were problems, if I remember rightly, within the civil service and one of the reasons for nothing happening on quite a lot of matters was because the General Orders applicable to civil servants were (a) not available apparently to civil servants; (b) were very antiquated and needed revision, and (c) because of the lack of copies of it the Government did not feel they could take action in respect of breaches of General Orders. Now, Mr Speaker, I am sure the House will agree that it is important that every civil servant should know what are the General Orders, what are the disciplinary parts of General Orders, what they must and they must not do and it does seem to me, with the greatest of respect to the establishment, that again not enough urgency is being given to the question of having a set of rules that are applicable in the civil service and which civil servants know they must act by. I notice that the Public Accounts Committee draws attention to this, draws attention to the time it is taking to circulate new General Orders and I think they have been extremely modest in their demand that the question should be expedited. I hope that their urgent call for action to be taken to introduce a whole edition of a new set of General Orders or whatever set there is going to be, that that is taken seriously and something is done by the Establishment Section. Mr Speaker, with regard to

the Government quarters, I won't go step by step, I think the recommendations will not present any difficulties to the Government. Let me say something that has been singled out as worthy by the Committee of mention and for action and that is the question of vehicle log books. I am afraid the Minister for Public Works has dismissed this rather lightly. I would have thought that it is common practice in all the civil service departments of the United Kingdom and certainly in Gibraltar in the Ministry of Defence Department, that log books should be carried. It is not a question, Mr Speaker, I would have thought, of just trying to catch out the guy who goes off in the car with his girlfriend, it is not that, it is surely, Mr Speaker, also a matter to have a record of the use of the vehicles, to have a record of whether the job has been done and one of the ways of knowing whether somebody has done a job is surely through the vehicle log book. If somebody is, for example, supervisory staff and has to go and see whether work is being done in Rosia Dale, for example, it is important that the vehicle log book should record that he has gone at the time, the distance and so forth and that he has been there and somebody has initialled that he has been there or whatever practice, I would have thought that that was important. I think that if the question of vehicle log books was just maintaining them, was just a bore, Mr Speaker, just adding to the administrative burdens of the department, I would have thought that they would have been done away with by everybody who employ them but as I understand it the question of keeping log books for vehicles is a common practice and regarded as good management practice in any large company and certainly in all the civil service departments in the United Kingdom and except for Gibraltar it seems to be a general policy freely accepted by the Trade Unions. I would certainly like to know what is the real reason for Government as a responsible body not being able to implement as managers of a public service, not being able to implement a system of log books for Government vehicles. The Committee who have investigated this matter and they put it in their Report seems to indicate, Mr Speaker, that they are not satisfied with the position or with the explanations that have been given. It seems to me common sense and I am sure it would also seem to any trade union official, I would have thought it would also seem to be good sense to have a log book record because not only can they be used by management to catch out somebody who is not doing his job properly but it can also be used by the employee as a defence that he has done his job and that it is not true that so and so has said that he was sitting in a bar having a drink when he should have been driving to Europa Point because there is the evidence in the vehicle log book. Again, Mr Speaker, I would hope that the Treasury Minute would be positive on this matter. I used the example, possibly, of the log books, Mr Speaker, as part of my feeling that the Public Accounts Committee who I know spend a considerable amount of time throughout the year going and fulfilling their duties as members of the Public Accounts Committee, I think they ought to feel that when they come up with recommendations that are clearly right and have taken them whatever the time it is to produce after examining evidence, interviewing people and so forth, I

feel that the reaction in the Treasury Minute, the reaction should be positive and that if the reaction is "We will do this", I think it is not unreasonable to expect in something like, for example, vehicle log books or General Orders or the job cards, it is not unreasonable to expect that if the Government says they will do it that it will be done before the next Report takes effect. Otherwise, I would have thought, Mr Speaker, it would be highly discouraging to the Public Accounts Committee. If I were Chairman of the Public Accounts Committee or a member of that Committee, I would be very discouraged if I was sitting every Tuesday and interviewing people and getting evidence and making my Report to the House and everybody says "Well done, you have done a good job of work", and then nothing happening. I think if the Public Accounts Committee is to be useful and represented as it is by both sides of the House, that if they recommend to the House action and the Government agrees to take action on it, that that action should be speedily implemented. Mr Speaker, I am not trying to be controversial in what I say but I do think that if the Public Accounts Committee is to be respected in this House and we accept their reports as we have done and I hope will do in this particular year, that their recommendations should be implemented as speedily as any other Government policy decision. It may be that the Government policy decisions are not being implemented quickly, I do not know, but certainly one would hope that they would be implemented speedily.

HON J BOSSANO:

Mr Speaker, I will not be supporting the motion approving the Report. The question of the log books is one to which I would like to draw the attention of the House particularly so after the remarks that have been made. I am somewhat puzzled as to what support from the Government means in terms of policy. Does it mean that if the Government votes in favour of this motion approving this Report, the recommendations in the Report are to be taken now to be Government policy on the matter, is that what it means?

HON P J ISOLA:

Mr Speaker, that is why my Hon Colleague was careful to point out that if they are accepted, I think the acceptance and action is revealed in the Treasury Minute. That is why I said that if the Treasury Minute accepts it and says that action is going to be taken I hope it is taken speedily.

HON J BOSSANO:

I accept the point about action. I am not talking about action, Mr Speaker, because as the Hon and Learned Member has said, there are other things that are Government policy decisions in their own right and still there is the gap between the policy

decision and the ability to translate that into reality, I am not talking about that, I am talking about whether approval for the Report means approval for its contents and meets acceptance of policy recommendations. I do not see how one can vote in favour of a motion that approves a recommendation without it being implicit in that approval that one accepts the recommendations because one approves of them.

MR SPEAKER:

The acceptance of the motion means that the House approves the Report of its own Committee and nothing else.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, the Government's views as to whether or not the proposals in the Report are acceptable to Government are set out in the Treasury Minute.

HON J BOSSANO:

I find it very confusing, Mr Speaker, because as far as I am concerned it is an important point of principle that is at stake here. My reaction as a layman would be that if I have a motion here which approves a report and that reports contains recommendations, it means that I am in agreement with the recommendations, otherwise I would not approve the report, I would say I disapprove of those recommendations, I do not approve of them. I recognise the point that has been made about the actual implementation of that recommendation but the desirability of implementing them which is the policy decision I would have thought was implicit in approving the report and if one thought that this recommendation was a bad one, and I will say to the House why I think it is a bad one, I am not going to go into the question of whether there should be log books or there should not be log books because that is a matter for negotiation between the employer and the union that represents the people whose job it would be to do it, whether they think it should be their job to do it or not, and I do not think it is a matter for me to raise in this House, but I certainly think that the actual recommendation here implies doing something which I would certainly not recommend the Government to do and therefore I cannot approve such a recommendation. The Report says on page 9 that the present stores regulations contains a reference to maintaining log books and that the new accounting instructions does not and that in fact the Accountant General has said that they will not be included until agreement with the unions concerned is reached. It then goes on to say in the next paragraph that the Committee was strongly of the opinion that the record now recommended, which is the one after negotiations with the unions, is not satisfactory and they recommend that the record

as laid down at present should be included in the accounting instructions. I am not sure what the Committee intended to recommend there but reading it in the context of the preceding paragraph I am assuming that the Committee is recommending that what the Accountant General is doing should not be done. The Accountant General is saying they are leaving them out of the regulations and the Committee is saying it should be included in the regulations and that presumes that the recommendation is that they should be included in the regulations whether there has been agreement with the union or not because the reason why they are being excluded according to the Accountant General is because he is not prepared to put them in without union agreement. I certainly would not recommend to the Government that they should take unilateral action in including things in regulations when those regulations are the subject of negotiations with unions and I certainly cannot support the recommendation of the Public Accounts Committee to do this and therefore I do not and I cannot approve the Report. Irrespective of the merits or demerits of whether there should be log books or there should not be log books, I certainly cannot support a recommendation that they should be included. I support, in fact, the view of the Accountant General which says that they should not be included until agreement has been reached. I certainly think that if one has a situation where there are currently negotiations between the Industrial Relations Officer and the Unions and a proposal has been tabled, then the first thing that the Unions might well wish to raise - I do not know that is a matter that they will no doubt give consideration to in due course - but one thing that they may raise is who is it that they are negotiating with because there is already a two-tier system in that there are policy decisions that are taken at senior management level which can be over-ruled by policy decisions taken at the level of the elected Government and now it seems that there is a proposal on the table under negotiations with the Unions and the Public Accounts Committee's recommendation is that never mind what the Union respond to that proposal, what the Government itself is proposing should be withdrawn and something else replaced, something else put in its place. I think that is a recipe for bad industrial relations and I certainly would not recommend the Government to follow that advice either. Having tabled something to now withdraw what they have tabled and put in its place something else which preceded what is being tabled now is a bad recommendation in industrial relations. The Public Accounts Committee may have been looking at it purely from a technical point of the adequacy of one system as opposed to the other without thinking of the implications of what they were recommending. I hope that having approved the motion, the Government will not only give consideration to the recommendations of the Public Accounts Committee but they will also give consideration to the recommendations that I am making in the course of my submission to the House on this matter.

HON A J CANEPA:

If the Hon Member will give way. I would be grateful if he were to explain why it is that the Union is taking the stand that it is taking. I do so in all sincerity because I get copies of all the minutes of meetings which the Industrial Relations Officer holds with the various Unions and other than on the point that apparently some of the drivers concerned do not have a sufficiently good command of written English to be able to fill up the proposed log books, other than that I have not been able myself to have clear in my mind as to what is the real objection. If that is the real objection and if it is a fact that there are a substantial number of drivers who are unable to fill up the log books, right, I see the point and perhaps it does have some validity but I would be grateful for my own personal clarification if the Hon Member were to be so good as to explain why.

HON J BOSSANO:

Well, I am afraid I cannot, Mr Speaker. I do not know why myself either. It is not the level of negotiations in which I have a personal involvement normally because this is a thing that is normally taken at shop floor level although in fact I believe that this particular requirement involves in some areas industrials, in other areas non-industrials and it involves more than one Union because it involves basically anyone that drives anything. Both the grades involved and the Unions involved span the entire range of jobs in Government as I understand it. I am assuming that the requirement would be not a requirement for industrial drivers in Public Works or it would give a standard requirement for any driver of any vehicle at any level. I know there has been resistance to the introduction of this requirement for a very long time, that I am aware of. I do not know precisely why there is so much resistance but it exists but in fact I said before, Mr Speaker, that I did not propose to go into the merits or demerits or whether there should be log books or whether there should not be log books. I am talking about the merits or demerits of the recommendation and there are two clear recommendations. In very strong language we have been told by the Hon and Learned the Leader of the Opposition that the Public Accounts Committee and that the Chairman of the Public Accounts Committee would feel discouraged if their recommendations were ignored and I hate to discourage him but I am in fact recommending to the Government that they should be ignored because they are the ones that are recommended in the strongest terms and if one was going to do anything about any recommendation I would imagine that one would start with those that are recommended most strongly. From the wording of it it says "the Committee were strongly of the opinion that the record now to be recommended for acceptance is not satisfactory in that details of the journeys would not be entered". That recommendation, I am telling the House and I am saying I do not know whether it

means that if the Government approves the Report the Government is accepting that that is a desirable policy they should follow. To me it seems to make sense that that is what it implies but I am saying to the Government that my understanding of the situation is that certain proposals were put forward in negotiations, that these proposals were rejected and that new proposals have been put which are at the moment under discussion. The recommendation is, as I understand it, that what is now under discussion will be withdrawn and that the Government should go back to their original proposal and that whether these are agreed or not they should be included in the regulations. That, I suggest, Mr Speaker, is a recipe for bad industrial relations because I imagine that if they go into the regulations without agreement, as the Accountant General recommends and which I would support, if they were to go into the regulations without agreement, then one of two things would have to happen, either people would have to be disciplined for failure to obey the regulations which could lead to a very serious industrial situation if every single driver in the Government was disciplined or else they have to be put in the regulations and then ignored which is a bad thing from the point of view of observing regulations. It is about the recommendations and not about the validity of the original proposals that I am talking about and I am saying to the Government that those two recommendations I do not think they should follow and therefore I cannot approve the Report which contains those recommendations particularly since those two seem to be the ones put in the strongest language in the proposals.

HON A J CANEPA:

Mr Speaker, the Hon Mr Bossano usually speaks in this House a great deal of logic and one always listens to him very carefully because he does have the ability to think logically. I think, with all due respect to him, that on this point as to whether the Government should vote in favour of the motion or not and what the implications are of doing so I think, quite frankly, that he is mistaken. I think that he is confusing the role of Parliament, the role of this House, with the role of the Executive and perhaps, Mr Speaker, at the end of my intervention it might be useful if you are in a position to give some guidance in this respect. It seems to me that when the House sets up a Select Committee such as the Public Accounts Committee and two of the members of that Committee are Government Ministers, then it is for the House as Parliament to accept that Report or not and it is not for us members on the Government side necessarily today to decide what is our attitude to the various recommendations any more than it has been necessary for my two Hon Friends who are members of the Public Accounts Committee to consult Council of Ministers beforehand and say: "Look, the Committee is considering making this recommendation. What is our collective view on the matter because if our collective view is in conflict with what we as members of the Committee agree we should recommend with our other colleagues

from the other side of the House, then we won't subscribe to that recommendation if we are in conflict with the Government". What has been happening over the years, Mr Speaker, is that the power of Parliament is being eroded to the Executive. It is happening, unfortunately, the Executive, Ministers and Senior Civil Servants are in danger, I think, of becoming an unholy alliance that can ride roughshod over Parliament and take no notice at all of what Parliament says or does and the move in the United Kingdom to appoint Select Committees, the most important of which in the House of Commons is the Public Accounts Committee, is an attempt to restore the balance and to give Parliament some function other than a rubber stamping exercise. In addition to that I think he is also making another mistake in bringing in the question of industrial relations. Obviously, the House of Assembly, Parliament, must have regard to the views of trade unions on a particular issue but because that might entail bad industrial relations for Government as an employer and a particular union it does not mean that Parliament does not have a right to form a view and to vote accordingly and again not only has the executive been taking over and eroding the power of Parliament but extra-Parliamentary bodies, the Trade Union Congress in the United Kingdom, the CBI and other bodies, have got more power and more say in the conduct of public affairs in the United Kingdom in particular than the Members of Parliament have and I think that that is bad. I think we are confusing the two and I think we should just see this as the formation of a view by the House of Assembly on a report which it approves. If we do not approve it then we throw it out, there is no report.

HON J BOSSANO:

Will the Hon Member give way?

HON A J CANEPA:

Yes, I will give way.

HON J BOSSANO:

I have listened to what he has to say but I do not really think he has followed the logic of my argument. I have tried to be logical. I am saying there are certain recommendations here. I would have thought that if one approves a recommendation that is because one is in agreement with it and one's policy would be to try and translate that recommendation into reality although it might or it might not be possible. But I am saying I am in disagreement with that recommendation, I am saying that if I had been in that Committee I would not have recommended it because I would have thought that even from a Public Accounts point of view if I am recommending a line of action to the

Government which I think is an action that is going to cost them or potentially can create so much disruption that can cost them or cost the taxpayer more money than the ill that they are trying to cure, then I am not going to recommend it. I am talking about the merits of the recommendation and I am saying that in my judgement there are weighty arguments why such a recommendation should not be made to Government. I was not making that point in order to suggest to the Government that they should vote against the motion.

MR SPEAKER:

I think by approval now of the report of the Select Committee it means, basically, that the House is taking note of the report and nothing else. I will quote from Erskine May which, as you all know, is our bible on procedure. It says: "On the consideration of a report motions may be made expressing the agreement or the disagreement of the House with a report as a whole or with certain paragraphs thereof, or for agreeing to the recommendations contained in the report generally, or with certain exceptions; or motions may be made which has founded upon, or enforce, the resolutions of the committee or are otherwise relevant to the subject matter of the report, or the business of the committee. In some instances the House has resolved itself into a Committee to consider the report of a Select Committee. Motions may also be made upon consideration of the report of a Select Committee for the recommitment of the report or, in the Lords, for the reference back of the report to the committee for further consideration, the committee to be enlarged by the appointment of additional members. In both Houses, debates on select committee reports now usually take place upon motions to take note of a report" - and I think that is what we are doing now - "In the Commons, such motions often refer also to any document setting out government observations on the report. Consideration of reports of the Public Accounts Committee and the Expenditure Committee may, under Standing Order No. 18 of the House of Commons, constitute business of supply and hence they may be debated on supply days". I think that by approval, as we are doing now, all that we are doing is that the House is taking note of the report of the Public Accounts Committee and it does not necessarily mean that the Government is agreeing with the recommendations and further action, as has been expounded by the Hon the Financial and Development Secretary, must be taken before Government can be said to have accepted the recommendations and implemented the recommendations. I think, basically, what we are doing now is taking note of the report and nothing else.

HON J BOSSANO:

I wish, Mr Speaker, that the motion had read that we were taking note and then I would not have said any of the things I have had to say on the subject. I cannot approve recommendations when I am recommending the opposite. I cannot now move

an amendment because otherwise I would move an amendment to replace "approves" by "takes note". I cannot support the motion with the word "approves" even though it is the intention that it should be "note" because at a later stage I may be in a different place and I cannot have approved as far as I am concerned, anyway, that is how I see it. I cannot approve something and then take a different stand elsewhere.

MR SPEAKER:

Well, perhaps, an amendment could be moved.

HON A J CANEPA:

I do not think it is necessary. We are grateful for your clarification and on this side we vote, in favour of the motion on the basis that approval means precisely that, that we are taking note of the report and if we voted against it would not be taking note of the report and it were better that the report had not been made because the effect is the same otherwise.

HON ATTORNEY-GENERAL:

Mr Speaker, I would like to refer to the part of the report which relates to the RYCA Ltd and simply to say that at this stage the matter is receiving consideration and priority. I have noted what has been said in the report; the matters which are referred to in the report on RYCA Ltd will all be taken into consideration and we will be reporting to the Treasury in due course for the purposes of the Treasury Minute. I think I should say no more at this stage because I think, if I understand the gist of the discussion, what the Public Accounts Committee will be looking for will be to see what the consequences are in due course.

MR SPEAKER:

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

HON G T RESTANO:

Mr Speaker, I would like to reply to a point made by the Hon Mr Bossano when he questioned the recommendation of not accepting the log books which were being presented by the Accountant General. The purpose of this Committee, really, is cost effective measures, value for money, and the type of log books that were mentioned by the Accountant General really would have been a complete and utter waste of time. The point was either not have any log books at all, I mean, if it is

going to be that it was of absolutely no use as far as the Committee was concerned, and it was either that or to have proper log books as, indeed, are kept in the Ministry of Defence, DOE and in all the MOD departments and members of the same unions, if I may say it in the plural, who object to filling the log books for the Government. As far as the Committee is concerned, it is to get value for money for the Government and that is why the proposal that had been put by the Accountant General was considered to be of no use.

Mr Speaker then put the question in the terms of the Hon G T Restano's motion 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 P J Isola
The Hon A T Lodd
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon 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 Sir Joshua Hassan
The Hon A J Haynes

The motion was accordingly passed.

The House recessed at 7.15 pm.

THURSDAY THE 18TH MARCH, 1982

The House resumed at 10.45 am.

BILLS

FIRST AND SECOND READINGS

SUSPENSION OF STANDING ORDERS

HON CHIEF MINISTER:

Mr Speaker, 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) (Amendment) Ordinance, 1982. Mr Speaker, this is a temporary Ordinance which was passed in October last year and which will come to an end on the 30th of April unless we extend its duration and it was done pending the inquiry into the rent situation by the Select Committee. I will elaborate the reasons for the Ordinance later.

Mr Speaker put the question which was resolved in the affirmative and the suspension of Standing Orders Nos. 29 and 30 was agreed to.

THE LANDLORD AND TENANT (TEMPORARY REQUIREMENTS AS TO NOTICE) (AMENDMENT) ORDINANCE, 1982

HON CHIEF MINISTER:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Landlord and Tenant (Temporary Requirements as to Notice) Ordinance, 1981 (No 16 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 CHIEF MINISTER:

Mr Speaker, as I said earlier in order that at least Members should know what the suspension of Standing Orders was about, Members will recall that on the 29th of October this House passed an Ordinance to make temporary provision in respect of contractual and statutory landlords and tenants relating to the periods of notice required to increase rents and terminate tenancies, and for matters relating thereto. It was then explained, there having been appointed a Select Committee on the question of rents, that there would be a moratorium on increases of rents and it was then given for six months. To be quite frank, at the time I did not think that the Select Committee would be able to deal with this in six months but it is never proper, in my view, to come to the House for temporary provision for long periods because if in fact a longer period is required then the House should renew the situation in order

not to give a blank cheque in this way, so it was done for six months and the date of termination of the Ordinance is the 30th of April, 1982. We will be meeting for the budget but we will not be meeting before the 30th of April to be able to do this so this is really the last opportunity we have if the Ordinance is not going to lapse. Another six months would have taken this Ordinance to the end of October but I am advised that it is more likely that the Select Committee will report some time in October so that when we come to dealing with this matter if there is a Bill before the House we will be in a better position. The 30th of October might have been just not enough time for the Select Committee to report. For these reasons the relative dates in the Ordinance of the 30th of April appearing in section 2 of the Ordinance provides for the extension to the 30th of November, 1982, and in section 3(1) the date of the 1st of May, 1982, should be transposed, of course, to the 1st of December, 1982, providing the seven months in each case. What has really happened is that the temporary provisions Ordinance which was passed for the purposes of giving the Select Committee an opportunity to report, because the work of the Select Committee, not unexpectedly has not been able to be completed, I think they have worked very hard, they have seen a lot of people but they now have to put their thinking caps on and make their recommendations on what the policy will be and in order to continue the protection that was given so that nobody because there is a Select Committee, should take advantage of a situation whilst the matter is being considered, that it is thought proper that the temporary provision should be extended to the 30th of November. No hard comments were made at the time when the extension was made, in fact, it was felt that it was a welcome measure pending the report of the Select Committee, whatever they may decide and whatever the House may decide. Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON M K FEATHERSTONE:

Sir, I would just bring to the attention of the House that the Select Committee has been pursuing its investigations with assiduity. We have been meeting practically every Thursday and we have already seen some 35 individuals and we are in the process at the moment of seeing 5 representative bodies. We do hope that we will finish seeing all the various persons interested by approximately the beginning of May and we would hope that we would have a report that we could lay on the table by October.

HON A J CANEPA:

I welcome the introduction of this Bill which effectively extends the life of the Landlord and Tenant (Temporary Requirements as to Notice) Ordinance which would otherwise have lapsed in May. I hope that it will give an opportunity to the Select Committee to thoroughly investigate the recent instances of exorbitant increases in rents. We have had instances after the announcement of the opening of the frontier, of what I would describe as the unacceptable face of capitalism in Gibraltar and at the time when Government introduced the original Bill in the House last year, one can but think that some property owners were only crying crocodile tears having regard to what has happened since then. The House, I am sure, is aware of the fact that I have taken the matter up. I have already received a reply from the Property Owners Action Group which no doubt will be giving an airing in the press tomorrow. They have attempted to sidetrack the whole issue by accusing the Government of setting the pattern on rents because of the fact that we have increased, according to them, the rents at Humphreys Estate by 500% over the last 10 years. We may well have but it could well be that if you take 25 years of Humphreys Estate the increase may only total 550% because the original level of rents was extremely low but this is a complete smoke screen because flats and dwellings have got nothing to do with business premises. I hope that the Committee will go into this matter very, very carefully. I hope that they will balance up the needs and the interests of the community. What is in the public interest to my mind is that there should be a fair system of rents which gives the landlord a reasonable return for his capital investment but which does not drive traders out of business so that trade in Gibraltar is taken over by Spanish business interests, that is what I was referring to when I only said "outside business interests" in my letter but that is what people are afraid of in Gibraltar and that can happen because of an unscrupulous few. I reiterate my understanding that the majority

MR SPEAKER:

You must be very careful not to inhibit the right of the Select Committee to make a decision without being influenced.

HON A J CANEPA:

Mr Speaker, I myself, I think, if I had so wished, could give evidence to the Committee and of course I have sent the Chairman a copy of my letter because I think that constitutes some evidence. I will just finish by saying that I hope that in the extended period of time that the Committee will now have to work, they will investigate these matters very, very carefully because they go to the whole root of what is the public interest in Gibraltar.

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 propose if all Members agree, that the Committee Stage and Third Reading of the Bill be taken at a later stage in the meeting.

This was agreed to.

SUSPENSION OF STANDING ORDERS

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that Standing Order No. 30 should be suspended in respect of the Gibraltar Museum and Antiquities Ordinance, 1982. In so doing I wish to make an explanation to the House on the matter. I did say at the last meeting of this House that I would make every effort to ensure that Bills in future would go out with the Agenda. Unfortunately, on this occasion there has been a heavy programme of printing the effects of which are not immediately apparent but I think will be apparent shortly and it was not possible on this occasion to meet that requirement. I had expected to have all Bills to Members on the opposite side within the required seven days but unfortunately in the case of this particular Bill, through no fault whatsoever of the Government printer who works extremely hard, there was a last minute change that had to be made and it was a day late.

Mr Speaker then put the question which was resolved in the affirmative and Standing Order No. 30 was accordingly suspended.

THE GIBRALTAR MUSEUM AND ANTIQUITIES ORDINANCE, 1982

HON H J ZAMMITT:

Sir, I have the honour to move that a Bill for an Ordinance to provide for the Gibraltar Museum, and for the preservation and appreciation of antiquities in Gibraltar, be read a first time.

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

SECOND READING

HON H J ZAMMITT:

Sir, I have the honour to move that the Bill be read a second time. Mr Speaker, Sir, this Bill will replace the Museum and Antiquities Ordinance which has been in force since 1966. Its objects are to better define the role, functions and powers of the Museum Committee, to revise and remove existing provisions relating to the discovery and preservation of antiquities in Gibraltar and to improve existing provisions relating to preservation of our ancient monuments. It also creates a new class of buildings, namely, protected buildings. Any building or structure which is so designated will enjoy a degree of protection not as fully however as an ancient monument and not in such a way as to restrict the use and enjoyment of the property by its owners so long as the antiquarian integrity of the property is not impaired. Mr Speaker, the opportunity has been taken to review and improve existing enforcement procedures. The Museum Committee will have immediate responsibility not only for the operation of the Museum but also for the administration of the law relating to antiquities. It will continue to have the same general structure as at present. In clause 10, its general functions are defined. In particular it is given the specific function of assisting Government in the formulation of policy relating to the Museum and antiquities. Clause 14, which is new, also defines the role of the Curator of the Museum. He will be the Chief Executive Officer and shall be responsible through the Committee to Government for the management of the Museum. Thus the new Bill will recognise the professional role of this officer in the functioning of the Museum. In relation to the discovery and preservation of antiquities, the Bill contains machinery whereby objects that are not older than 100 years, which is the normal criteria for establishing whether an object is an antiquity, may, if the Committee so recommends, be declared by the Governor to be antiquities. The Bill also contains provisions for enabling the Committee to commission its own investigations and for the licensing of other persons who wish to explore in Gibraltar for antiquities. Clause 24 sets out in detail the criteria that must be met before a licence will be granted. Clauses 26 to 28 contain new provisions which enable the Governor on the recommendation of the Committee to designate areas of archaeological importance. Where operations are carried on in such areas notice would have to be given to the Committee which would be entitled to observe the operations, record matters of antiquary importance and require the suspension of operations for up to 48 hours to enable these things to be done. The Bill also contains revised provisions relating to ancient monuments. The First Schedule specifies ancient monuments and provision is made for the Governor to amend it from time to time. The Bill is concerned to protect historical and similar sites, not to define title. Consequently, it does not describe who owns or holds property but the First Schedule, as drafted, only includes property held for the purposes of Gibraltar Government and other property not being held for the purposes of the

United Kingdom Government that already has a statute of ancient monuments. The consent of a Secretary of State will be required to the addition of sites that are held for the purpose of the United Kingdom Government and it is proposed that in consultation with United Kingdom Departments steps will be taken to obtain consent to include in the First Schedule a number of appropriate sites so held. I have already referred to the new concept of a protected building. These are specified in the Second Schedule. Although the degree of protection is not as grave as that afforded to ancient monuments, much the same considerations apply. Finally, the opportunity has been taken to revise offences, penalties and regulation-making powers. In particular members of the Museum Committee will be empowered to lay complaints and prosecute summary proceedings. Sir, the consideration of this revision has entailed some three year's work in the Museum Committee including, in particular, the recently retired Chairman, Mrs Dorothy Ellicott, and the Curator. The Service members and other members of the Committee have also made a valuable contribution. The Museum and Antiquities are an important part of Gibraltar's cultural and historical heritage and the Bill merits careful consideration. It is proposed not to take the Committee Stage until after the budget meeting and this should give Hon Members the necessary time to give it such attention. Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON A T LODDO:

Mr Speaker, we on this side of the House welcome this Bill. I am particularly pleased as on a number of occasions my views on conservation have been made patently clear to this House. I am also pleased to see that no one is named as owner of any of these monuments and buildings because, in fact, Gibraltar is the owner of these buildings. It is part of our heritage and we should guard it the best possible way, which is through legislation. Mr Speaker, Gibraltar has a wealth of history which I believe very few other places of a similar size can boast. Our wealth of history primarily is in military history and regardless of whether one looks at the Moorish, Spanish or British occupation, it is a history of which we should be proud and of which we should make as much capital as possible. I have noticed, however, that one important ancient monument, or old building, has been left out of this Bill. I am referring to, of course, to Parsons Lodge. I was glad to hear earlier on the Hon Mr Canepa say that he was concerned about business properties being taken over by foreign speculators and investors primarily in Spain and I am concerned that Parsons Lodge has not been included in this Bill because I believe that there is a substantial amount of Spanish capital

involved in a possible development of Parsons Lodge as a hotel, something which I would not like to see, on two accounts. The first one because it is an ancient monument and the second because the control of such an hotel on the site of an ancient monument would not be in Gibraltarian hands. I must insist that I would not like to see that as an hotel in anybody's hands. Mr Speaker, there is very little I can add at the moment but, as I said, I welcome this Bill wholeheartedly and I hope that by the time we get to the Committee Stage we will be able to include Parsons Lodge in the list of protected buildings.

HON ATTORNEY-GENERAL:

Mr Speaker, I would like to make a brief intervention on this Bill. It has already been stated that the scheme of the new Bill, as compared with the existing Ordinance, is to say what is an ancient monument and what is a protected building but not to say itself who it belongs to and I think that is correct in principle, I think this is not a Bill relating to title this is a Bill relating to the protection of antiquities and items of historical interest. The Schedule as it stands contains sites that are held for the Gibraltar Government. There are other sites which at present are held mainly for military purposes and the Government will be taking up with the Ministry of Defence proposals to include other sites, I do not say Parsons Lodge, but will be taking up with the Ministry of Defence proposals to include other sites under ancient monuments and I feel sure that that will be considered receptively by the Ministry of Defence. The point I am concerned to make is that at this stage the First Schedule of ancient monuments is not necessarily complete, that there are those which it was not appropriate at once to include but which may very well be included in due course.

HON MAJOR R J PELIZA:

Mr Speaker, I think that the preservation of antiquities in any community is a mark of a civilised community and I must say that in Gibraltar for some time now there have been quite a number of people dedicated to see that objects, monuments and other matters that go back to our history, are preserved. It is by looking back and putting those facts together that one can look at the identity of a people much better than what is written in history books because anybody who has listened to two eye witnesses of a traffic accident will wonder how true historical books are since the evidence usually is almost conflicting. But what cannot be challenged are historical facts which are tangible there to see. I am very pleased to say that here in a very small community of just over 25,000 Gibraltarians, we have a little place called the Gibraltar Museum where anybody who goes there can only be but fascinated by the standard of the preservation of the objects that are there very well kept by people who really are dedicated to that. I think that there are many people involved but two

persons I think come to my mind immediately who I think we should pay tribute to. One is Dorothy Ellicott who over many years has dedicated almost her life to the historical background and particularly to the Museum and one can feel very proud of that in that she was once a Member of this House. And then, of course, we have the Curator who has been there for some years, Mr Bensusan, who has really made a wonderful job of looking after the Museum and I do hope we can keep him there for many more years to come because he is really preserving treasures which for future generations will be invaluable. One must also pay tribute, I think, to the very comprehensive Bill which has been very well produced and which I am sure will serve very well in the future as time goes by. It gives that protection in law which antiquities very much require in Gibraltar and I personally would like to congratulate those concerned in producing the Bill. I would like to congratulate all those who have been looking after the Museum, many others whose names I do not know and perhaps there are too many to mention in this House. I welcome the Bill very much.

HON A J CANEPA:

Mr Speaker, this Bill has been through the Development and Planning Commission and we were particularly heavily engaged in drawing up the First and the Second Schedules. I agree with the Hon Major Peliza that a piece of legislation of this nature is indicative of the degree of awareness that there is in Gibraltar today as to the importance of conservation in this case in respect of antiquities and ancient monuments but I think the community as a whole is becoming increasingly aware not just of our historical and cultural heritage but also of our physical and environmental heritage and of the need that there is to take adequate steps to preserve and protect that. The list in the First Schedule, I think, when the Development and Planning Commission considered it contained some 146 ancient monuments and we were very glad that we were able to agree to their inclusion with the one sole exception of Parsons Lodge for the reasons which I think are very well known throughout Gibraltar because they have been the subject of a great deal of controversy in the past and I would not for one moment believe that we have heard the end of that particular saga but economic development is also important and the problem with conservation is how one treads that very narrow line that has to be trodden between development on the one side and the need for that because it is beneficial and it is in the interest of the community particularly in the circumstances of Gibraltar over the next few years, and we are going to need to provide alternative means of employment, that on the one hand and on the other the need to preserve what is worth preserving. I hope that this particular piece of legislation will be the precursor to further legislation that will also strengthen the requirements and the legislation that there is already on the statute book

in respect of our flora and fauna. I think that there is a need to step up activity in that respect with a view, perhaps, to allowing people who are interested in preserving conservation in the Upper Rock to participate themselves actively such as in a system of wardens and having the powers to look after the Upper Rock. I think the two things have got to go together because the environment is a unit and cannot just be seen as buildings. I think that the Bill is also indicative of the much greater awareness that there is in Gibraltar of the need to improve the quality of life. The Government, I think, is taking very active steps, I think the campaign for a cleaner Gibraltar coupled with the stiffer litter penalties is also beginning to have some success and I see this very much as a package of a whole and I am glad to see that the Bill finds such wide and general acceptance in the House.

HON CHIEF MINISTER:

Mr Speaker, I feel I have to say a few words because of my old association with the Museum over the years. The Museum had the fortune for many years to have a Chairman in the person of the late Padre Brown who made a great contribution to the preservation as he was able then to do and to the fostering of the extension of the Museum. I served under him as Treasurer for some time and at that time the Museum took the very sensible view that whereas when General Godley, I think it was, opened the Museum in 1927 or thereabouts, the idea was to have a general museum of all kinds of antiquities and so on but Padre Brown had the vision, supported by all his colleagues at the time that (a) the museum was too small for that and (b) we could never aspire to have a general museum and we ought to concentrate and there was plenty of it, in the history of Gibraltar and its environment which are so closely linked to the history of Gibraltar itself. From about 1951 the accent was then on that. I remember the day when the Museum got a very small contribution from the Government, I remember when we had a part-time Curator then we made him full-time, the late Mr McEwen, but from then on things have gone from strength to strength. On the death of Padre Brown I succeeded him as Chairman for about 13 years until the Constitution of 1964 when I felt that having regard to the fact that there was a system of Government and Opposition, it would not be proper for somebody holding the post of Chief Minister to continue as Chairman of the Museum but I spent very happy years with the people who worked and all the time, of course, in one form or another Mrs Ellicott was a particular supporter of the Museum and a member of the Committee for a long time. Later we were very fortunate in obtaining the services of the Curator who is an ecologist and has got a particular flair for presenting the exhibits of the Museum. The Museum is not big enough, it hopes to extend itself to the nearby MOD property when it is no longer required for military purposes or defence purposes, which should have been a long time ago. The area is not big

enough and there are many items that cannot be exhibited because of the lack of space but if there ever was a place properly situated for the Museum it must be just on top of the Moorish Bath which after the Granada Moorish Bath are supposed to be the best in the whole of Andalucia and the best relic of the Moorish occupation and of the Moorish civilisation. Therefore the place is ideally situated, it is very central and of course it has been beautified to the extent that anybody who goes there particularly from abroad, though more people should go from Gibraltar to see it, are marvelled by the way in which the Museum is now kept which is a far improvement from the days when we were trying to run the Museum on a shoestring of money. Be that as it may, we have now a Museum of which we must be justly proud and it is also proper that the Museum should have proper legislation to support it and this legislation which has had rather a long period of gestation for one reason or another, has at last given birth today and I am very happy to be associated with the passing of this Bill.

HON P J ISOLA:

The Bill has already been welcome by my Hon Friends on this side of the House. I suppose, as another past Treasurer of the Gibraltar Museum Committee, I should add my voice of welcome to the Bill and my voice of congratulation into the hard work that has obviously gone into the preparation of this Ordinance for the proper protection of our antiquities in Gibraltar. I, too, would like to express tribute to Dorothy Ellicott, a past colleague of ours in this House, some years ago, I will not say many years ago, some years ago, and I know the hard work that she has put into the Gibraltar Museum, and the whole issue of antiquity. But, of course, I am sure she could not have done that without a forceful Executive Officer and obviously she had that in the person of the Curator who has taken so much trouble, far beyond probably the limits of his duty, to ensure that we have a Museum of which we can be justly proud. I think that the question of having antiquities protected, the protection of our heritage, as the Hon and Gallant Major Peliza has said, is not only indicative of the civilised nature of our community but, of course, I think looking at it a little more narrowly, perhaps, I think that is the sort of thing that is going to help our tourist industry. I think people come to Gibraltar to see the places, to see the sites, to see its history, I do not think they come just to do some shopping although we all hope it ends up with a bit of shopping. I think it is terribly important that we should be able to preserve that which is good of our history, that which is interesting, and I think this Ordinance goes a long way to doing that and for that I think we must all be thankful. Only one point, Mr Speaker. The Committee Stage of this Bill is being taken at a later stage and we would like obviously to study the Ordinance in much greater detail and we would also like to have a look at the schedules involved because it just occurs to me that

possibly the second schedule that deals with protected buildings is possibly a little short. A number of buildings do come to mind that should be and could be protected buildings and I do not know whether at the Committee Stage it is proposed to add any more to the list of protected buildings. One building that comes to mind is the South Barracks Buildings which I believe is the oldest Barracks in the British Army, do we want that changed in the future, I do not know. A number of others do come to mind. We would like to think about it and see whether, perhaps, it might not be useful once we are having an Ordinance on antiquities of this nature, whether it would not be wise to have a few more protected buildings put in because with the busy nature of our activities and the busy nature of legislation and so forth in Gibraltar it might be worthwhile having a hard look as to whether there should be any other protected buildings or, indeed, any other ancient monuments included in the schedules to the Ordinance and if that is so perhaps we could amend the schedules at the Committee Stage. We have no proposals to exclude any of the ones that are there, Mr Speaker, I know my Hon Friend on my right would like to include one in ancient monuments and perhaps we may have others to include. We welcome the Bill.

MR SPEAKER:

Are there any other contributors to the debate? Does the Hon Mover wish to reply?

HON H J ZAMMITT:

There really is very little to reply other than as I mentioned earlier on, the Committee Stage will give Members an opportunity to come up with suggestions which we will obviously consider. Other than that, Mr Speaker, I think everything has been covered and there is nothing controversial about the Bill. 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 H J ZAMMITT:

Mr Speaker, 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 FAMILY ALLOWANCES (AMENDMENT) ORDINANCE, 1982

HON MAJOR F J DELLIPIANI:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Family Allowances Ordinance (Chapter 56) 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, this Bill forms part of the measures announced by the Chief Minister at last year's budget and it is really aimed at helping the parents of the students who are undergoing training in Universities in the United Kingdom so that they may be treated as though they were in school in Gibraltar. I do remember that there were no shouts of opposition when this measure was announced at last year's budget.

MR SPEAKER:

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

HON W T SCOTT:

Mr Speaker, we on our side of the House obviously welcome this Bill. I personally undertook for a member of the electorate the problems that he had been experiencing for a number of years, in fact, he had not qualified for this family allowance because his eldest son was receiving full-time education and he lost his allowances, I think it was on the second son. Generally, I think it is something that we are glad to associate ourselves with and we fully support the Bill.

MR SPEAKER:

Are there any other contributors? Does the Hon Member wish to reply?

HON MAJOR F J DELLIPIANI:

No, Sir.

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 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 MARKETS, STREET TRADERS AND PEDLARS (AMENDMENT) ORDINANCE, 1982

HON J B PEREZ:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Markets, Street Traders and Pedlars Ordinance (Chapter 98) 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, in introducing this Bill for an Ordinance to amend the Markets, Street Traders and Pedlars Ordinance, by repealing Part I of the same and replacing it by a new Part I which deals primarily with the administration of the public markets, the Government is intending to modernise the law on markets in keeping with the current situation. The new sections 3 and 4, in fact, repeat the existing powers for the Government to establish markets and provide the amenities necessary therein. It also provides for the verification of the accuracy of scales thus ensuring that trade is effectively and fairly conducted within the markets. In the past all holders have had monthly tenancies and have never enjoyed any security of tenure as such. This resulted in their being loath in some cases to improve their stalls or expand their businesses for obvious reasons. In order, therefore, to enhance the markets and bring the stalls into full compliance with current food hygiene legislation, the Government undertook a large programme of improvements and modernisation which included the provision of facilities such as sinks, hot and cold running water which, according to the law, are the responsibility of the owners of food businesses. Having brought the markets to such an acceptable level, the Government has created the most telling innovation on the existing legislation by granting tenants stalls which comply fully with the Food Hygiene Regulations as to fittings etc, which obviously they will be responsible to maintain except for fair wear and tear for which the Government will retain responsibility and at the same time, Mr Speaker, giving the stall

holders a security of tenure that they have never enjoyed in the past. This has been achieved by providing for the giving by either party of not less than six months notice in writing of their intention to determine the tenancy. The same new section 5 also provides for the Government without notice to determine a tenancy where, inter alia, the tenant has after having been required in writing to do so, failed to use a stall or area for the purpose for which it was let. This, Mr Speaker, is intended to end the current situation in which some stalls have been hired and not brought into use thus effectively eliminating healthy competition which in turn has gradually resulted in less people going to the markets and there being less business for traders established there for so many years. This new section is intended to bring the markets back into its full potential. The proposed new section 6 allows for the making of rules on all matters which deal with the administration of markets. It effectively extends the matters which in future will be in the form of rules making the running of the markets even more efficient whilst the new section 7 and section 7A provide for the recovery of money due under the Ordinance. Clauses 3 to 6 of the Bill amend several other sections of the main Ordinance by increasing the fines for offences under the Ordinance to more realistic levels. On the whole, Mr Speaker, this is a Bill which not only revises existing law but also seeks to protect the interests of all parties concerned, namely, those of the consumers and, of course, of the traders alike. Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON G T RESTANO:

Mr Speaker, I think to attempt to get full potential of the markets is very laudable and one accepts and welcomes that. There are two points on which I would like clarification. First of all, whilst one welcomes that the extension from one to six months of the tenure of the tenants in the markets is a good thing I wonder why six months was preferred. In normal business practice businesses would have at least a year to three years of tenure. I am not saying that three years, perhaps, is optimum for the markets but certainly I would have thought in line with other licences which are granted in Government that a year would probably have been better than just six months. I wonder why six months was preferred? Perhaps in his reply the mover may explain this. The other point, Mr Speaker, is section 5, the letting of premises. I feel that in the same way as when a business wishes to establish itself it has to apply for permission under the Trade Licensing Ordinance, I would have thought the same

principle could have been applied in applications for tenants who wish stalls in the markets and that is that those applications be gazetted. I feel that when applications are granted those, too, should be gazetted so that one knows exactly what type of companies are applying for licences and are being granted stalls.

MR SPEAKER:

Any other contributors to the debate? I will then call on the Mover to reply.

HON J B PEREZ:

Yes, Mr Speaker, I thank the Hon Member for the contribution he has made, in particular the two points which I will try to clarify. The first one was the question of security of tenure, why, in fact, the Government has decided only to allow a six month period notice to quit on either side. Let me say straight away that the idea of six months has been taken from the required period under the Landlord and Tenant (Miscellaneous Provisions) Ordinance in which a statutory tenant although he may be a monthly tenant, in law he is required to be given a six month period notice to quit, that is in cases where you are a monthly tenant. It may well be, for example, that in other Government properties or in particular situations a tenant or a stall holder may be given a further tenancy of a longer period or in other Government property he may be given a lease of two or three years or four years. However, this is a matter which since the Committee Stage is not being taken at this stage, I am prepared to look at once again although I feel, Mr Speaker, that at the time there was a meeting the stall holders were in fact consulted, this is going back quite some time ago and the information I had was that the stall holders were quite happy with the six month's notice to quit on either side. Let me make it quite clear that the stall holders would not be licensees because as the law stands today without this particular Bill, it was arguable in law that the stall holders were not in fact tenants but were in fact licensees which therefore meant that there was absolutely no security of tenure at all for the stall holders and this is basically what we are trying to put right with this Bill, that is, in trying to give the stall holders security of tenure in order to enable them to expand their businesses but that is a matter which we are willing to look at and as I say the Committee Stage is not being taken at this meeting. The second point raised by Mr Restano, that is, for applications to be gazetted, again I have no strong objections to finding a way of being able to comply with that, it seems to me a sensible idea. At present the position is as the Hon Mr Loddo knows, there are a certain number of stalls which are not being used for the particular purpose for which they were let and the Environmental Health Department has quite a large number of applicants - in fact I have given the figures in the House in

previous answers - and unfortunately it is a question of waiting until one becomes available but again as far as this particular point is concerned, it may well be that to gazette them may not be the answer but again I am willing, Mr Speaker, to look at it and see whether in fact applications could be gazetted, whether we could do it by asking them to advertise or for the department to publish a list and it would be available for anybody to see. But let me add, in any event, if anybody were to get in touch with the department, anybody wishing to have a stall at the markets, they would be told how many people are, in fact, on the waiting list, the applicants are informed. I do take the point that it may be better for every application to be gazetted and to have an announcement of the successful applicant if and when stalls become available. Mr Speaker, these are two points which I will be looking into and no doubt if no satisfaction is given by the Government the Hon Mr Restano could raise it at the Committee Stage by proposing an amendment to it. Having said that, Mr Speaker, 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:

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 ADMINISTRATION OF JUSTICE ORDINANCE, 1982

HON ATTORNEY-GENERAL:

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

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

SECOND READING

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that the Bill be read a second time. Sir, as the Long Title indicates this Bill adopts the device of under one title amending several Ordinances and I would refer Members to the fact that when the last Bill of this nature was brought before the House, I believe the Hon and Learned Leader of the Opposition recognised in a Bill of this nature which has a common theme is, the administration of

justice, it is permissible to do what otherwise would be really contrary to good legislative practice. There are several amendments, Mr Speaker, and what I propose to do is to take them one by one. Can I say at the outset that I anticipate that at least one and perhaps two will require some careful thought. It is not intended to take this Bill through all the stages at this meeting of the House and no doubt Members will want to consider carefully the implications of some of these proposals. Dealing with the first one, in clause 2, it relates to the flexibility available to the court in sentencing offenders and the object or the thrust of the amendment is to empower a court in the case where a person who requires a residence permit to be in Gibraltar and has attained the age of 17 years is sentenced for an offence that is punishable by imprisonment, to make a recommendation to the Government, in effect, that the man be deported and I would stress the following points about this provision. First of all, it applies to adults, certainly to persons over 16, it is a recommendation, it is not an actual determination that the person must be deported, it is a recommendation by the court. It does not exclude or release the court from the duty to sentence. If I can put that another way perhaps that was not very happily put. The power cannot be exercised unless there has been a sentencing first. It is not intended to be a soft option, if you like, it is intended to be an additional power where the court has sentenced and of course it only relates to offences of a more serious nature, ie those which are punishable by imprisonment. I would also draw Members' attention to subclause (2) which contains a safeguard to the effect of notice, seven days' notice is to be given to the person before this recommendation can be made and of course the purpose of that is to enable the person to make representations against a recommendation of deportation if he thinks fit. I should also draw Members' attention to the fact that as the law stands, and this may be a matter on which the House would like to give further thought, but as the law stands, in subclause 3(b) there is a provision which in effect takes this outside the usual principles relating to children and young persons, in other words, the recommendations of deportation is available for persons who have attained the age of 17 years. I would also draw Members' attention to the following safeguards. A recommendation for deportation, although it is not strictly a sentence itself, will be treated as a sentence inasmuch as the person affected will have a right of appeal. Finally, on this particular provision, nothing in this new power, if it is enacted, will enable a recommendation of deportation of a person who is a Community National on any grounds other than the grounds which are recognised as grounds for requiring Community Nationals to leave one of the member states. If I may now go to clause 4, Mr Speaker, because although that is not the next one in chronological order it relates to the same thing. The actual power of deportation under the Immigration Control Ordinance is vested either on the Governor or on the Magistrates' Court and the amendment proposed in clause 4 is to carry into effect the machinery where a court has made a recommendation so clause 2 confers

the power to recommend deportation, clause 4 will amend the Immigration Control Ordinance to enable that recommendation to be carried into effect. I should stress that it is a discretion, it does not have to be carried into effect but the executive could carry it into effect. I have not provided in the Bill that the Magistrates' Court should have the power to carry it into effect because it seems to me that if you are given the court and possibly the court may be the Supreme Court, a power to recommend, then that is a case which it is appropriate for the Governor to make the decision whether or not to deport. Clause 3 of the Bill contains what is really a machinery provision. Under the existing provisions of the Criminal Justice Administration Ordinance juvenile courts have power to appoint a fit person to have the care and protection of a child or a young person who needs care and protection and it is the practice to appoint officers of the Department of Labour and Social Security who are in charge of the homes where these children are looked after. There is a practical inconvenience on this in that every time the head of the Home changes it may be necessary to go back to court and get another Order and this amendment quite simply is to enable the appointment of a fit person to be made nominally in the name of the Director of Labour and Social Security so he is the legal custodian of the child in need of care and protection. In fact, of course, although he remains responsible for the administration of that Department, the actual care and protection will be under the officer who has charge of a particular Home but if that officer leaves or is promoted or goes elsewhere, it won't be necessary to come back to court each time. I think there is adequate precedent for that elsewhere and I think given that the person is a responsible member of the administration, it is not objectionable. Clause 5 is also intended to give more flexibility in the administration of justice so far as the custody of prisoners are concerned. At the moment, under the Prison Ordinance, although there is provision for the release of prisoners on parole, there is a restriction that a prisoner must either serve a third of a sentence or 12 months and 12 months is a minimum. It is considered that it is better that the 12 month qualification should be removed so that the normal period eligibility for parole would be quite simply after you have completed one third of your prison sentence. That is subject to another restriction in the Ordinance which I should mention. There is a provision in the Ordinance to the effect that no person who serves a sentence not exceeding one month should be eligible for parole. I think the point of that is obvious, one month is really the minimum sentence that one contemplates if one is going to send a person to imprisonment. I think that is really a practical limitation on granting parole but the most substantive restriction of 12 months restriction would go under this Bill. Finally, Sir, clause 6 simply does this that it includes specifically, by specific reference, in the list of person who are ineligible to serve on juries, members of the City Fire Brigade and officers of the Revenue Department. The rationale for that I think is this, that in

the case of the Fire Brigade they are carrying out an essential service and would not normally be expected to serve on juries. Officers of the Revenue Department are law enforcement officers and it is considered inappropriate that they should be people who are normally eligible to serve on juries. Sir, I commend the Bill to the House.

MR SPEAKER:

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

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 Third Reading of the Bill be taken at a subsequent meeting of the House.

THE IMPORTS AND EXPORTS (AMENDMENT) ORDINANCE, 1982

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Imports and Exports Ordinance (Chapter 75) 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. Sir, this Bill covers a number of important provisions for the better administration of the Imports and Exports Ordinance and it also provides for private warehouses for motor vehicles and motor cycles. It has been clear for some time that we need in Gibraltar a green channel system particularly at the Waterport, we shall require it at the new Airport building when that is completed and we shall certainly require it with an open frontier situation at the Four Corners Frontier post. Clause 3 of the Bill is, in fact, designed to enable the customs to operate a green channel system at all points of entry to Gibraltar. Clause 6 will enable customs officers to control the movement of goods entering Gibraltar

whether by sea or land which are proceeding to a bonded store or a customs warehouse. At the moment vehicles from the Port do make journeys under customs control to bonded warehouses but the customs have no power of direction as to by what route or how and in what manner the goods should be carried and this is considered to be a necessary precaution. Under the existing section 48(c) of the Ordinance, there is machinery for the rate of duty on articles specified in the First Schedule to the Ordinance to be reduced or abolished by Order made by the Governor-in-Council. These Orders only have validity until the end of the House of Assembly meeting immediately following the publication of the Order unless the Order is approved by the Assembly at that meeting. The new clause at 5 extends this provision to cover the Second Schedule to the Ordinance which provides for export duty on fuel, diesel and gas oils and also the Fifth Schedule which are the fees for duty free goods. The object of this amendment, Sir, is to give greater flexibility to the administration to adjust duties downwards as required in what could prove to be a fluid fiscal situation. In 1981, the Gibraltar Motor Dealers Association made representations to the Government about the payment of import duty on motor vehicles and sought a concession to bring the trade into line with other areas of the private sector that were allowed private warehousing or bonded facilities. In support of their representations the Association pointed out the contribution which the motor industry as a whole makes to the economy of Gibraltar. They also pointed out that direct imports from Japan in particular must remain in relatively large minimum quantities if full opportunity were to be taken of reductions in price by major orders, and the need to develop an adequate procedure to meet the challenge that might be afforded by a broadening of the economy. The Association requested that they be allowed to operate private store facilities for motor vehicles. Because no motor vehicle can be registered in Gibraltar unless a certificate of lawful importation can be produced and these are only issued on production of evidence that import duty has been paid, the Government is satisfied that the control of uncustomed vehicles would not present any problems. In the circumstances, it is proposed to accord the concession that duty on motor vehicles and motor cycles should be payable immediately before registration or on removal from a Government or private storehouse or four months after being warehoused, whichever is the earlier. Clause 7 corrects an error on a duty levied on printing material and publications which I regret, and I apologise to the House, crept into the 1981 budget. Subsequently it was pointed out to the Government that the error that was made was affecting the printing trade in Gibraltar and clause 7 will now correct that error. Mr Speaker, Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Mr Speaker, let me say that I welcome the provisions in relation to the import duty on motor vehicles and motor cycles because although that means that the Government will presumably have to wait until the cars are actually sold to collect its duty, the Government will in fact know that it will get it within four months at the latest and I think this will give opportunity to the motor dealers to stock cars in Gibraltar and reduce the interest charges they would have to pay if they had to pay import duty immediately. I only hope the net result of this, Mr Speaker, is that the prices will remain competitive and good but the interest on money saved will benefit the purchaser of the motor vehicle. I think that is a good idea. Can I ask on this whether people coming in with motor vehicles from outside, I raised this in the House before, for example, somebody arriving from England with UK number plates and who is going to reside in Gibraltar, whether he will also be able to wait four months before paying duty until he registers the car and as we are talking of motor cars could I ask that the same principles that are applied will obviously have to be applied at the frontier with foreign cars coming into Gibraltar, the same principles will be applied also at Waterport and that people arriving with motor vehicles which they might have purchased outside Gibraltar, will not be put through the discomfiture of having to either pay the duty on entering or leave their car at the frontier and come back next day to pay duty. I think that if we are having a general sympathetic look on this issue, I think that individuals who arrive in Gibraltar with their families on the Mons Calpe or now, possibly, through the frontier, that all that will happen is that details will be taken of the car and who has come in with it, if he is a resident of Gibraltar etc, and that he will then be required at a future date, the next day or the day after, to call at the customs and the customs will not exercise the powers if they have it, of insisting on immediate payment of the import duty of a family arriving at Gibraltar at a late time. I think this clause sensibly realises cars are not matters on which people can escape paying duty easily. I hope I can have some sort of satisfactory assurances on that, Mr Speaker. The question of reduction of duties and the Governor-in-Council having power through regulation to reduce duties, we would agree with that clause, I think it is sensible and I think it can be done. My only hope is that this will be exercised, this power to reduce duties, sensibly, with a view to improving the economy. I think there are areas and no doubt we will hear about this in the Budget, of course, but I think there are areas in which the Government could usefully explore the reduction of import duties now that, hopefully, the frontier is going to open and I hope that quick action is taken in these things because I suppose we do want to get a good reputation if possible from Day 1. On newsprint, Mr Speaker, on the question of the First Schedule to the principal Ordinance which was there and shouldn't have been. I do not know, Mr Speaker, whether the Government should not consider having some import duty on newsprint if it is to protect trade,

I would have thought that not having it will affect the printing industry. As the House is aware we have had proposed amendments to the Trade Licensing Ordinance under which it was proposed to require the local printing industry to have licences and we objected to that on principle, mainly on the principle of the freedom of the press and so forth. We did say in that debate, if I remember rightly, that the problem of the printing industry is not competition in Gibraltar but competition from outside Gibraltar. I do not know whether by putting some import duty on newspapers or newsprint, on paper, I am not sure how it can be done or whether that might be usefully explored as a legitimate means of protecting the printing industry within Gibraltar against possible unfair competition. I throw that out as a thought now that the subject has come up under this section. Perhaps that, Mr Speaker, could be mulled over. We will certainly support any such measures. I think, Mr Speaker, that is all I want to say on the Bill.

MR SPEAKER:

Are there any other contributors?

HON MAJOR R J PELIZA:

Mr Speaker, I certainly welcome this idea of not paying duty on the spot and I do hope this will be the thin edge of the wedge because I have raised on various occasions that the effect that that has on costs is considerable and that there must be a way of trying to impose the duty at the point of sale and not at the point of entry. I have argued this before and I think now that we are going to find competition from outside, it is high time for the Hon the Financial Secretary to give very careful thought to this matter. I asked a question on selective reduction of duty. I now say not only should he try and look at where we must reduce our duties on imports but also how we can minimise the effect on duties on those items that duty has to be paid on. It so happens by the nature of Gibraltar, Mr Speaker, that we cannot import one or two items at a time. It is necessary to import in bulk, in too great a bulk really commensurate with the turnover that there is for Gibraltar and that means that the importer has to pay a considerable amount of money which lies idle for a long time and which inevitably whether he likes it or not he has to add to the cost of the item when it reaches the premises. Consequently the margin of profit has to be worked out on the value of the item, not just the item, plus duty and consequently, Mr Speaker, we become uncompetitive, our prices are higher and from the point of view of competition it is obviously not in our interest. At the end of the day the people who are making the money are the financial houses who provide the overdraft to the trader in Gibraltar and in many instances they are not even local traders so it is money, Mr Speaker, that we are throwing down the drain.

This is why I welcome this so much because I do see that a little light is coming into the Treasury now and that perhaps they will be able to see other items that they can consider in the same way. I know the problems, I know the Financial Secretary is going to raise all sorts of problems but this is always the same with civil servants. They cannot see the point of view of business, Mr Speaker. They want the whole thing very nicely tied up. If it is tidy it is good, if it is not tidy it is no good but from the point of view of business it is not a question of tidiness, Mr Speaker, it is a question of money, of competition, of being able to bring down prices to make the consumer happy and in this instance it is going to be our livelihood. It is not just a question of satisfying our consumers any more, it is a question of making Gibraltar financially viable because it is through that viability that we are going to exist and therefore I think that the people concerned must become much more imaginative than they have been up to now. I do hope that the lead that the Financial Secretary is now giving in this respect may follow by others.

MR SPEAKER:

I will call on the Mover to reply if he so wishes.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, merely to say that to the siren voice of the Leader of the Opposition he would have me reduce duties. I have also been exposed to the big guns of the Hon and Gallant Member. Imports of cars from the United Kingdom; well, the customs are taking a much more relaxed attitude to this and there is no question of people being forced to cough up some money, if I may put it in that way, Sir, on arrival with children in the back screaming for food; they can come back within a week and pay, there is no problem on that. I echo the sentiment of the Hon and Learned Leader of the Opposition that this facility which we are now affording to the Motor Association will enable them to pass on to purchasers some reduction in price. Reduction of duty, well, I have taken the Hon Member's point. I never cease to be amazed at this time of year how many people want reductions in taxes and increase in expenditure and quite how one balances one's books I am not sure. On newsprint, there is perhaps a little confusion here. What happened at the Budget was that we made printed matter, manuscript and typescript, free, and this meant that printed material, letter headings printed or invoices, bills of quantity or what have you that were printed outside, receipt books and the like could come in free of duty. What we are putting back is newspaper and newsprint for printing papers here would come in free as with children's pictorial books and books of other kind, but that printed matter will once again become a taxed item and I think that we are meeting what the Hon and Learned Member has suggested. 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, if necessary, today.

This was agreed to.

THE INCOME TAX (AMENDMENT) ORDINANCE, 1982

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Income Tax Ordinance (Chapter 76) be read a first time.

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

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 before the House contains a number of general amendments covering changes which the Government has had in mind for some time. With the closure of Her Majesty's Vice-Consulate at La Linea and Algeciras it is no longer apt to use these areas directly to define ordinary residence in the immediate vicinity. Clause 2 of the Bill brings into the definition of ordinarily resident the Campo district which is then defined by reference to the former consulate districts at La Linea and Algeciras. In order to provide more incentive to those members of the community who may be willing to invest money in acquiring their own homes, clause 3 of the Bill seeks to repeal the existing provision whereby owner/occupiers of residential property are charged to tax on the net annual value of the property occupied. Section 7(1)(z) of the Ordinance at present exempts from tax a gratuity payable by the Government of Gibraltar under a contract of employment with an officer recruited from outside Gibraltar whereas an officer recruited within Gibraltar on contract would have to pay tax on the gratuity. This, obviously, is not fair and the situation came to a head in 1979 when two-year contracts were entered into with temporary telephone trunk operators at the termination of which these persons became eligible for a gratuity chargeable to tax. To bring all contract gratuities

in line with those payable to officers recruited from outside Gibraltar, clause 4 introduces a new paragraph into the exemptions section of the Ordinance making gratuities paid by the Government under contracts of employment outside the pensions legislation exempt from tax. The law officers recently advised that the Income Tax Department was giving a wrong interpretation to Section 22(1) of the Ordinance in allowing against the income of a husband a premium paid by his wife on an insurance of his life. The proposed amendment to Section 22 will allow the Commissioner of Income Tax to make the deduction from a husband's assessable income of the premium paid by his wife on an insurance on his life or on her own life when the wife is not separately assessed. This amendment is in accordance with practice elsewhere. As Section 25 now reads a Trust, which is deemed to be a person for the purposes of the Ordinance, cannot have income charged to tax at a rate higher than 30% (the standard rate). There is no reason why the income of a trust or other body of persons, should be treated differently to the income of an individual whose maximum rate of tax is 50%. The amendment, proposed in clause 6 extends the liability to pay tax at the higher rate to all persons other than companies and not merely to individuals. Clause 7 of the Bill corrects a previous drafting error. Section 64 of the Ordinance under which the Governor may remit taxes and penalties, is repealed by clause 8. The Governor's exercise of this power was recently subjected to legal challenge. In the Supreme Court the applicant was successful but the Court of Appeal allowed the appeal. The Governor has constitutional powers to remit penalties and it is considered that in the future he should not be concerned with applications to remit tax once it has been legally established as being payable. Because of the possibility of a further appeal, a saving is included to protect the position of a taxpayer who is now seeking leave to appeal and any other who may be in a similar position. I should stress that the proposed change is for the future only. It is not, of course, in any sense a comment on the proper interpretation of the present law. Mr Speaker, Sir, I give notice of my intention to move a very minor amendment at the Committee Stage but an important one. This is to delete the letter (b) where it appears at the end of clause 3 of the Bill and to substitute it for (a). Mr Speaker, Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Mr Speaker, the question of the gratuity clause we have raised it before and having heard the reasons for it and that is that officers recruited on a contract locally like the temporary trunk operators their gratuity should be received free of tax.

Whilst we do not object to the principle of that, Mr Speaker, what we object to is that gratuities, other than, apparently, in the Government service or in the Ministry of Defence, are liable to tax. It seems to me that if a company employs a contract worker for a period of two years or three years or four years and gives him a gratuity, I do not see why, in principle, that gratuity should not be also free of tax. If the problem is that gratuities could be used as a means of avoiding tax through salaries or whatever, I think that all that was required, I would have thought, would be a very careful definition of a gratuity, a very careful definition as to how many times in one's life, as it were, an employer can give a gratuity and possibly even putting a limit on the gratuity in proportion to any salary that had been received. In other words, to pick out the genuine gratuity which I am sure is also paid in the private sector, to pick it out so as to make that one tax free. I see the problem but I think there is a cure and I think it is only fair that people in the private sector who work possibly a number of years with an employer and who receive at the end of their employment what is in effect a genuine gratuity should be able to receive that free of tax in the same way as their normally better off counterparts in the public service. I think it is an injustice that should be corrected possibly at the time of the Finance Bill at the Budget. The question of the re-definition of section 2 of the Income Tax Ordinance, well, obviously, Mr Speaker, that is necessary and we would agree with that as, indeed, with the other clauses in the Bill. In particular the question of the premium I think is a very useful amendment to clarify the position, actually I do not share the view, but I am glad it is clarified. I think any premiums paid in insurance or in savings one should encourage it and we welcome that amendment. Thank you, Mr Speaker.

HON A J CANEPA:

Mr Speaker, I do not think the Hon Leader of the Opposition should go away with the impression that genuine gratuities paid to employees of the private sector are not tax free. If a retirement gratuity is given to somebody employed in the private sector under a proper Pension Scheme that gratuity would be tax free. What would not be tax free would be if an employee in the private sector were to enter into a contract with his employer for two or three years and at the end of those two or three years be paid a gratuity, that would have to be taxable and that is where there can be abuse. In the case of the public sector we know that we can exercise the necessary control but not in the case of the private sector. Someone in the private sector could be taken on for three years, is paid a gratuity and an adjustment is made in his salary in order to get around payment of tax, he serves his two or three years, he renews his contract for another two or three, again a gratuity and an adjustment in the salary and this is something that could be kept up ad infinitum. Where a pension scheme is established in the private sector which is

the case with many employers and an employee has served for long and he retires from employment, he gets his retirement gratuity and he gets his pension, that gratuity is tax free in exactly the same way as for an employee of the public sector.

MR SPEAKER:

Are there any other contributors?

HON ATTORNEY-GENERAL:

Mr Speaker, I would just like to refer to something to which the Hon the Financial and Development Secretary has referred to because I think it is appropriate that I should do so. As he mentioned, there has been an appeal in relation to Section 64 and the Bill is now proposing that this section be repealed. I should like to emphasise, if I may, that that is entirely without prejudice to the rights of the taxpayer concerned if he chooses to take the matter further. It is rather a sensitive area but let me stress that we are talking about, as I am sure Members will appreciate, we are talking about the future legislative effect and nothing that is being done there is in any way pre-empting or influencing the correct interpretation of an existing provision. I would just like to emphasise the point in case anybody might misunderstand it.

MR SPEAKER:

I will now call on the Mover to reply.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I only want to make one point and this is on the gratuity clause on which the Hon and Learned Leader of the Opposition spoke. First of all, I suppose I ought to declare an interest because I am an overseas officer who gets a gratuity and it is tax free. I must say that I am sympathetic to the point made by the Hon and Learned Member and I have elsewhere introduced legislation to provide for this and have had my fingers very badly burnt because it left a lacuna in the Ordinance which was exploited for tax avoidance purposes. Far be it for me to suggest that my Hon and Learned Colleague the Attorney-General cannot draft in order to avoid such a lacuna but it is a difficulty and one has to be very careful about it. Whilst we will look at it I cannot promise that it will be in any Finance Bill in the very near future. 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, if necessary, today.

This was agreed to.

THE SUPPLEMENTARY APPROPRIATION (1981/82) ORDINANCE, 1982

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, 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 £755,825 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 4) 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 £459,089 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 Supplementary Estimates (No 4) of 1981/82 which I tabled at the commencement of this meeting. Of the funds required from the Consolidated Fund somewhat more than a third are required for contributions to the funded services to meet projected deficits on the Housing Fund of some £55,300 and on Potable Water services of some £210,300. Of the total amount sought under the Improvement and Development Fund £342,700 is required for Head 101 Housing. This sum includes funds required to meet additional expenditure because of a higher rate in progress on housing. 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 the provision required under Part I of the Schedule to provide under Head 14 for £28,000 to meet the cost of outstanding commitments to the Group Practice Medical Scheme. Mr Speaker, 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 P J ISOLA:

We will address ourselves at 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:

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, if necessary, today.

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 Housing Association Bill, 1981;
- (2) The City Fire Brigade and Fire Services (Amendment) Bill, 1981;
- (3) The Public Finance (Control and Audit) (Amendment) Bill, 1981;
- (4) The Landlord and Tenant (Temporary Requirements as to Notice) (Amendment) Bill, 1982;
- (5) The Family Allowances (Amendment) Bill, 1982;
- (6) The Imports and Exports (Amendment) Bill, 1982;
- (7) The Income Tax (Amendment) Bill, 1982; and
- (8) The Supplementary Appropriation (1981/82) Bill, 1982.

This was agreed to and the House resolved itself into Committee.

THE HOUSING ASSOCIATION BILL, 1981

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

Clause 24

HON ATTORNEY-GENERAL:

Sir, there is a reference in sub-clause (4) to sub-section (3) which in fact should be to sub-section (2). It is a drafting point. I beg to move that clause 24(4) should be amended by omitting the expression "(3)" and substituting it for the expression "(2)".

Mr Speaker put the question in the terms of the Hon the Attorney-General's amendment which was resolved in the affirmative and Clause 24, as amended, was agreed to and stood part of the Bill.

Clauses 25 and 26, as amended, were agreed to and stood part of the Bill.

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

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

THE CITY FIRE BRIGADE AND FIRE SERVICES (AMENDMENT) BILL, 1981

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

Clause 3

HON G T RESTANO:

Can I know, under sub-section (d), what is the cost of this likely to be?

HON DR R G VALARINO:

Mr Chairman, this is only to allow the enabling power so that the prescribed fees are charged. At the moment there is nothing about the amount of the fee.

HON G T RESTANO:

How much is it going to cost the owners of premises?

HON DR R G VALARINO:

Mr Chairman, it may cost them nothing at all. Once the power has been given the prescribing fee may be nil, therefore it may cost them nothing.

HON G T RESTANO:

How much is it going to cost owners of premises who have to put in fire extinguishers in their premises? I am referring to (f) and (g).

HON DR R G VALARINO:

It will be the normal extinguishers that we are providing at Government housing.

HON G T RESTANO:

But this is not just for Government housing, surely, this is for every single premises in Gibraltar presumably? I want to know how much it will cost individuals to have to instal an extinguisher in their premises? Presumably Government must know because at the same time they are generally regulating the sale, supply and installation.

HON DR R G VALARINO:

Mr Chairman, Sir, we certainly do not know. It really depends on the owner and occupier on the type and number of extinguishers that he wants to put in and it really depends on the actual owner of the premises himself as to the amount of money he wants to spend in providing fire-fighting equipment.

HON G T RESTANO:

Why then does sub-paragraph (g) say "generally regulating the sale, supply and installation, repair and maintenance of the fire-fighting equipment"? This is a contradiction, surely, to what the Minister has just been saying?

HON DR R G VALARINO:

Mr Chairman, Sir, really this is only to enable the Regulations.

HON MAJOR R J PELIZA:

We all know that. What we do not understand is how the Government can go into this kind of legislation without first of all knowing the cost to the individuals themselves who will have to

put them up or the cost to the Government to run the show. I think that we shall certainly have to vote against when the Minister has not got a clue of what this means or what it is going to cost.

HON DR R G VALARINO:

On a point of clarification, Sir. At the last meeting this was asked by the Hon Member, Mr Restano, and there was a comment from the Hon Mr Restano as to how much it was going to cost the public. 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, rehabilitating the equipment and anything else that goes with it. I wish the Hon Major Peliza would spend more time in Gibraltar and read the Hansard.

HON MAJOR R J PELIZA:

It is the Minister who has got to give me the information, Mr Chairman. He is the Minister and he does not know how much it is going to cost per house in Gibraltar or how much it is going to cost the Government to carry out the supervision of this. He has not got a clue, he has not done any homework at all. Can he tell me how much it is going to cost the average person in Gibraltar, how much more it is going to cost to the Fire Brigade, how many more people they have to have employed to carry out the proper checks otherwise it is a total waste of money and of time? The Minister is the person who should know.

HON DR R G VALARINO:

Mr Chairman, on the first point could I clarify again. I have said in answer to the Hon Mr Restano as to how much this was going to cost the public: "Let me assure Mr Restano that this will be free of charge".

MR SPEAKER:

In fairness to the Opposition sub-section (f) and (g) denote a charge to the consumer and therefore they are asking whether you can quantify this charge. It is no use saying that they are not going to be charged anything because there is provision for a charge to be made.

HON DR R G VALARINO:

Certainly, Mr Chairman. The comment from the Hon Member was to how much this was going to cost the Brigade, that was the first comment, and I said this was going to cost the Brigade nothing.

HON MAJOR R J PELIZA:

Mr Chairman, how many individuals are going to be involved all the time going round, checking that whatever is supposed to be carried out is carried out or is it that the Fire Brigade is over-manned at the moment? If it is over-manned then they should cut it down, if it is not over-manned it is going to cost more money and I think the Minister should have done his homework and come out and give facts and he has not got them.

HON CHIEF MINISTER:

I have a very clear recollection, Mr Chairman, without having to look at Hansard that when the question of the substitution of fire precautions was raised in respect of the Humphreys Housing Estate, the Government opted for providing Government flats with fire extinguishers at Government expense, maintained at no expense to the individual by the Fire Brigade. It was a consequence of that as a fire precaution the Fire Brigade advised that it would be advisable for private dwellings to be provided equally with fire extinguishers. That was said at the time. The Government can buy as it has done in respect of the fire extinguishers provided by the Government, fire extinguishers of standard use at a considerably low price because it is bought for all Government houses. The position now is that there is provision in the Ordinance that fire-fighting equipment must be provided in every house for the protection of the tenant themselves. All the regulations say is that if the Government is going to provide for the private dwelling at the request of the private owner, then that the Government will be able to make a charge. It was said at the time that the Fire Brigade could cope because the inspection of the fire-fighting equipment was such that the Fire Brigade could cope in their routine work to see that these are inspected every year or every eighteen months. All that this is doing is providing regulations in case the Government has got to make the provision. The Government has no intention of charging people for providing a service which the people themselves must provide but if it has to, it has to have enabling powers. That is all that there is to it.

HON P J ISOLA:

Is the ordinary tenant in the private house going to have to pay for the fire extinguisher or is the Government supplying it?

HON CHIEF MINISTER:

My understanding is that as far as private dwellings are concerned that is a matter between the landlord and the tenant. What is required for the protection of occupiers is that houses should have some form of fire extinguisher on the spot in order to prevent the fire from extending much more widely.

MR SPEAKER:

And that particular fire extinguisher which is required will not be supplied by Government?

HON CHIEF MINISTER:

No.

HON G T RESTANO:

Who is going to pay for that, Mr Chairman, the landlord or the tenant?

HON CHIEF MINISTER:

I think if a pane of glass is broken and the water is coming in the Government is not expected to pay in a private dwelling for that. This is for the protection of the tenants and whether it is the landlord or the tenant is a matter for contract between the landlord and the tenant.

HON G T RESTANO:

What happens if they both refuse to pay for the purchase of this equipment?

HON CHIEF MINISTER:

There will be a statutory obligation on the part of either the tenant or the landlord to provide it. That is a matter of contract between them but certainly there will be a statutory obligation and it is in the interest of the tenant more than of the landlord, it is also in the interest of the landlord but the landlord probably is secure for the value of the property whereas the tenant it is his life that is affected.

HON MAJOR R J PELIZA:

But that is the whole point, Mr Chairman. It will have to be policed and that policing will have to be paid for. It is not the same as when you suggest to the people that they should have a fire extinguisher as they do in Britain and other places by advising them on television and newspapers that it is in their interest and therefore people with common sense will have one, this is obligatory. If this is going to mean anything at all then it has got to be policed, someone must knock at the door from time to time and ask to see the fire extinguishers. Who is going to do that?

HON CHIEF MINISTER:

The City Fire Brigade have made it clear that they can do it with their present personnel.

HON MAJOR R J PELIZA:

If they can do it with their personnel we are over-manned at that Station because you cannot do both things.

HON A J CANEPA:

I cannot see how this arises from the clause that we are considering, whether the Fire Service is over-manned or not, how does it arise?

HON MAJOR R J PELIZA:

Because we are asking how much it is going to cost and the Minister has not got a clue and all he says is that he has the men but if he has the men for this then they are surplus to establishment at this very moment. Therefore, I cannot vote for that.

MR SPEAKER:

It is a point to be made but not to be pursued.

HON P J ISOLA:

I want to ask a few questions on this, it is important. First of all, I do not know what a fire extinguisher costs; we have not been told but what we have been told is that regulations are going to be made and it is up to the landlord and the tenant to decide who pays. The Government is begging the question, really, because the landlord of a tenant of a rent restricted flat is not going to volunteer to pay for the fire extinguisher and the tenant is not going to volunteer to pay for it either, so what is the decision that the Government is going to make in that respect? If the Government is going to say that the tenant will do it they will have the Hon Mr Bossano or somebody else coming and shouting about it, if they are going to say the landlord is going to do it, the landlord will then want to increase the rent to cover the cost. What is disturbing in all these matters, Mr Chairman, is that the Government decides as a matter of policy as a result of what-ever happened at Humphreys Estate or Alameda and they say: "We will supply everybody with a fire extinguisher at our expense". It is not at their expense it is at our expense, at every individual in Gibraltar's expense, the taxpayers pay for that, this is the point. I cannot see why the Government continually makes distinctions between the Gibraltarian in their

service or the Gibraltarian in Government housing, with the other Gibraltarian who is probably living in much worse housing conditions. I think that if the Government thinks that as a matter of policy every house should have an extinguisher and has already put in at the Estates 5,000 in Government housing at my expense and at the expense of everybody in the private sector or in private housing, at the taxpayer's expense, there is no reason why the same facility if it is an emergency measure, and we do not believe for one moment it is, should not be covered by the Government in the private sector. That is point number one. Point number two is I would like to ask the Government whether they have pursued the matter, the point that was raised by the Hon Mr Bossano, that he had been at one house where the fire extinguisher involved was still in its box, had not been taken out, whether they have pursued that matter at all because I think it is relevant if you decide to have fire extinguishers everywhere and they are actually in boxes in people's homes. The third thing I would like to ask the Government is whether they have pursued since the last meeting of the House the statements that were made on this side of the House that apparently under current practice in dealing with fires what people are advised to do when there is a fire in their house or when a fire occurs in the United Kingdom, the current thinking appears to be, the advice is: "Close doors, close windows, get out and ring for the Fire Brigade. Do not try and deal with the fire yourself". Has the Government followed those statements up and are they right and correct? Mr Chairman, unless we can get satisfactory assurances on this we are voting against this section, we are asking for this to be deleted because it is putting unnecessary burdens or possibly putting an unnecessary burden on a section of our community and treating them unfairly with another section of our community and it has not been proved to us that it is necessary, the Minister has not been able to say in answer to questions what it will cost the individual landlord and the individual tenant, whichever one it is, to make these installations and what the law is seeking is intrusions into the freedoms of people to live in their own houses as they please.

HON CHIEF MINISTER:

If the sub-clause (d) is locked at, it is the enabling regulation requiring the owners or occupiers of any premises to provide and maintain in effective working condition in the premises fire extinguishers and other fire-fighting equipment specified in the regulations. The Ordinance gives power that regulations be made requiring that. It is going to be done by regulation. Sub-section (f) is defining the liability of owners and occupiers respectively for the costs of extinguishers and equipment specified in paragraph (d) and for the costs of re-filling or re-charging any such extinguishers or equipment, assuming that these are going to be provided at the expense of the tenant by the Fire Brigade. These are enabling powers. I think that is a matter which is rightly the concern of Members

of the Opposition, how this is going to work, and I think if Hon Members agree, I hope they will agree because in any case we think it ought to be passed but it is better if it can be passed with a general consensus, that the particular regulations requiring the prescription of (d) and (f) will be the subject of discussion in this House. The enabling power is given and I will undertake to see that these regulations are discussed in this House before they come into force.

HON G T RESTANO:

Mr Chairman, I thank the Hon Chief Minister for that but I am afraid that does not go far enough. We do not agree with the principle which is included in the enabling powers and I notice that he has not answered the question of my Hon Friend that in England the practice is not to have fire extinguishers but getting people out of their homes in the event of a fire. He has not replied to that and it is an important point. Neither has he replied how without any further expense the Government expects 8,000 homes

MR SPEAKER:

We are not going to discuss that. I have been very liberal on this matter. What the Government is seeking, as the Chief Minister has quite rightly stated, is enabling powers to regulate these matters. We must not go into the details at this stage of the consequences of making such regulations. A proposal has been made by Government as to whether the Opposition will vote in favour of these two sub-clauses on the undertaking that the enabling regulations will be brought before the House. What we have got to decide now is whether the Opposition are satisfied with that suggestion or not but let us not get bogged down with the consequences of the regulations once they have been made.

HON ATTORNEY-GENERAL:

If I may add another thought which may help in considering the proposition which the Chief Minister has made. As I understand the objections from the Members opposite, they are saying this is too restrictive an approach, that it would be better to use the option of voluntary persuasion but the very fact that the Bill was introduced into the House shows that the Government at least does not go quite as far as that, it certainly has in mind one option, I think I am correct in saying, as having as one option there may be a need for legislation but I would emphasise and it may help Members to consider better the proposition that has been put to them, I would emphasise that there is a difference between saying in an Ordinance that landlords or tenants will provide the following equipment, it is not going quite as far and it leaves open the option in one sense to say that regulations may be made to cover that situation, if necessary. I am not saying that the view of the Government is that it is not necessary now, I think the overall

view of the Government is that it probably is necessary but at least this approach is keeping open the options and to that extent I think coming some way towards meeting the point which the Hon and Gallant Major Peliza raised that there is an alternative of a voluntary approach. This is not as restrictive as putting in provision in the Ordinance itself.

HON G T RESTANO:

Mr Chairman, I beg to move that clause 3(2) be amended by the deletion of sub-clauses (d), (e), (f), (g) and (h).

Mr Speaker then put the question in the terms of the Hon G T Restano's amendment and on a vote being taken the following Hon Members voted in favour:

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

The following Hon Members voted against:

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

The following Hon Members were absent from the Chamber:

The Hon J Bossano
The Hon A J Haynes

The amendment was accordingly defeated and Clause 3 stood part of the Bill.

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

The House recessed at 1.00 pm.

The House resumed at 3.20 pm.

THE PUBLIC FINANCE (CONTROL AND AUDIT) (AMENDMENT) BILL, 1981

Clauses 1 to 16 were agreed to and stood part of the Bill.

Clause 17

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I beg to move that clause 17 be deleted and substituted by the following new clause:-

Replace- 17. The principal Ordinance is further amended by
ment of repealing sections 62 and 63, and substituting
section the following section:
62.

"Applica- 62. (1) This Part shall apply to every
tion of person or body -
Part X.

"(a) that is in receipt of a
contribution from any
public monies; or

"(b) in respect of whom the
Government has given a
guarantee to any person; or

"(c) whose operations may impose
or create a liability on any
public monies -

not being a body corporate whose
accounts the Principal Auditor is
for the time being specifically
required or empowered to audit and
report on under any other law.

"Power of 63. (1) The Principal Auditor may
Principal audit and report on the accounts
Auditor of any person or body to whom
to audit. this Part applies.

"(2) In the exercise of his powers
under subsection (1), the Principal
Auditor shall have, in relation to
any person or body to whom this Part
applies, the same powers as are
conferred on him under sections 55
and 56 in relation to public offices,
public monies, stamps, securities,
stores and other Government property".

I would like to explain to the House the reason for this amendment. Basically, instead of a mandatory power of the Principal Auditor to audit the accounts of anybody or person in receipt of a contribution from public monies, this makes the power permissive and the reason for this is that the Ordinance as it stands requires the Principal Auditor to audit the accounts of

anybody however small an amount of whatever type is in receipt of contributions from public funds. For example, the subvention which the House agreed to for hotels for water in the budget this year. The section as it stands would require the Principal Auditor, because the hotels are receiving a subvention from Government funds, to check their books entirely and to carry it through what I might call an absurdity, if the Government purchases any UK Government stock, the Auditor is required by law to check the books of the Bank of England. What we are doing is giving the Auditor the power to check as and when he considers it necessary. The rule in the United Kingdom, the Exchequer and Auditor-General there, normally checks the accounts where there is a substantial contribution to the body or organisation concerned or where it is substantial in terms of the revenue of the body. If, for example, you are giving a contribution and your contribution forms more than 50% of the revenue of that body, then you would look at their books but if it was only 5% or less then you would not do it. It will be entirely in the hands of the Auditor and he will be able to decide which ones he wants to check.

Mr Speaker proposed the question in the terms of the Hon the Financial and Development Secretary's amendment.

HON G T RESTANO:

I take the point of the Hon Financial and Development Secretary and I think it makes sense. However, this amendment allows the Principal Auditor to decide when not to audit accounts but I do not think it is clear enough in specifying when he should audit accounts. For example, the GBC, the Gibraltar Quarry Company, with this amendment I would have thought if it is decided by the Principal Auditor that he did not want to audit the accounts of the GBC or the Gibraltar Quarry Company he could do so and I do not think that would be a very good thing. I wonder whether, perhaps, an addition could be made ensuring that the Principal Auditor in cases where there is a major subsidy or a major contribution from the Government, it is mandatory for the Principal Auditor to audit those accounts.

HON ATTORNEY-GENERAL:

I will, if I may, respond to the point just made because, really, we are on the same side in our objectives on this but I would prefer to do it the way it is being done for this reason. First of all, the Principal Auditor is an independent official but one who can properly be taken to be astute to do his work, it is a responsible position, the whole nature of his work is to audit and he will be inclined to do that. Secondly, this particular provision is enabling but if the Hon Member will refer to the bottom of sub-clause 1, there is what appears to be an exception. In other words, the part applies to every person or body receiving certain kinds of

benefits which are in principle monies of a public nature not being a body corporate whose accounts the Principal Auditor is for the time being specifically required or empowered to audit and report on under any other law. My own view on this would be that if it is a matter of such importance that he ought to report as in the case of the GBC, we ought to write that into the law if we think it is necessary to do so but, that apart, the power on the part of the Auditor to report in his judgement ought really to be a sufficient safeguard of public monies. The other factor I would mention is that the Auditor reports to the Public Accounts Committee and it would be rather an unusual Auditor if he did not take account of any wishes intimated to him by a Parliamentary Select Committee. I, myself, think that the way it is drafted really is sufficient to protect public monies.

HON G T RESTANO:

Would the Hon Member not agree that as drafted this amendment gives the power to the Principal Auditor not to audit accounts of subsidised corporations or bodies if he so wishes? I would have thought that it would have been preferable that in major subsidies from the Government to corporations or businesses or bodies or entities, that it should be mandatory for the Principal Auditor to audit those accounts. I can understand absolutely the idea behind this amendment. I can understand that it is unnecessary for the Principal Auditor to audit the accounts of small subsidised industries but in major ones I would have thought that it would have been preferable to have it statutory.

HON ATTORNEY-GENERAL:

The Principal Auditor's duties are set out in the Constitution and, of course, one of the main themes of this Bill is to reflect the Constitutional approach. I do not quite see the emphasis of the proposed new section 62 in the same way as the Hon Member. He sees it as empowering him not to audit, I rather see it from the positive point of view as empowering him to audit. If that is not enough, it is a power for him to do something, not a power for him to refrain from doing something, I really think that is the proper emphasis, if that is not enough, if there is a situation which is of such importance that something more needs to be said, then I think it would be a case of providing in a specific Ordinance such as the GBC but I really do still feel that, overall, to give him the power here is quite adequate for general purposes.

HON G T RESTANO:

Would the Hon Member consider including in the Ordinance the major subsidised industries which can be amended from time to time and which would make it statutory for the Principal Auditor to be responsible for the audit of these accounts? I

say this because at the moment the Principal Auditor does not in fact personally audit these accounts, they are audited by other accountants which are responsible to the Principal Auditor and he then of course checks the work of the companies which have carried out the audit. What I would not like to see, and these in fact do refer very specifically to the Gibraltar Quarry Company and GBC, what I would not like is that because of this amendment, the accounts of these major subsidised corporations should be carried out by an independent firm and not have the Principal Auditor directly responsible for those audits.

HON ATTORNEY-GENERAL:

I understand the Hon Member's point of view but I am bound to say I would not be happy to support a formula that goes beyond, except in permissive terms, the basic propositions laid down in section 70 of the Constitution. That really is what the Auditor's obligations are and to the extent that we go further I must say I would be happier to subscribe to a view that he should be empowered to go further, not directed unless, of course, a particular statute specifies otherwise.

HON G T RESTANO:

But would the Hon Member not agree that with this amendment, should the Principal Auditor so decide, he would not need to audit the accounts of GBC or the Gibraltar Quarry Company, should he so decide, and does he think that this is a good thing?

HON ATTORNEY-GENERAL:

Mr Chairman, yes, that is so, provided no other statute tells him to do it. I do not think there is any harm in it.

HON G T RESTANO:

What I am asking is for it to be statutory for him to audit or be responsible for the audit for these heavily subsidised companies or corporations.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think, Mr Chairman, that we take the Hon Member's point that what the Government would prefer to do is that where it is necessary, where you have a heavily subsidised corporation or body, then the legislation setting that up should require an audit by the Principal Auditor or by someone appointed by him. I think that would achieve what the Hon Member is seeking without going beyond the Constitution in this particular clause.

HON G T RESTANO:

What exactly is the Hon Member suggesting?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am merely suggesting, Mr Chairman, that the Government takes note of the concern expressed by the Hon Member, which we share. We would not be at all happy to think that a heavily subsidised company would escape the microscope of the Principal Auditor and what we have got to ensure for our part is that where bodies are heavily subsidised, within the legislation controlling them there is a provision that they shall be audited by the Principal Auditor. In that way we could meet the reservations of the Hon Member on this particular clause.

HON G T RESTANO:

I am quite satisfied with that, Mr Chairman. How will this in fact be done? Will it be brought to the House? Will regulations be brought in or will conditions be brought in to any subsidy which is of considerable amounts?

MR SPEAKER:

I think what the Hon Financial and Development Secretary is suggesting is that before Government can subsidise any industry in any event they have got to come to the House for the enabling legislation and it is then that he is suggesting that in that enabling legislation the safeguards should be included requiring the Auditor to audit the accounts. Is that correct?

HON ATTORNEY-GENERAL:

I should make one point clear so that there is no misunderstanding. There is a difference, in my view, between a corporation established by statute such as GBC, and a company incorporated under the Companies Ordinance. In the case of a company the provision as I see it is this, that so far as the documents which reflect the Government's interest in the company amount to public accounts, the Auditor must audit them anyway. To the extent that he wants to go further I think it is properly expressed as a power as drafted and not as a statutory duty to go through them. Unless you have some very special case, I cannot think of any in Gibraltar but I have come across a case elsewhere where a commercial company has been subject to public audit by special legislation but it is a rather unusual situation. I really feel that the normal situation would be perfectly adequately covered by the empowering provision as drafted.

HON G T RESTANO:

I would like to ask for clarification on the point made by the Hon Financial and Development Secretary. Is it then his intention or is it his suggestion that when a substantial subsidy to a private company or a corporation, that when the monies are sought in the House, that it would then be indicated depending on the amount of subsidy given, that the Principal Auditor should audit those accounts? I think, Mr Chairman, that was how you interpreted it and I would like confirmation because if that is to be so then I would be quite satisfied with that.

HON ATTORNEY-GENERAL:

I think the position would be that that would not be practical but as a normal rule the position would be that we would rely on the Auditor using his good judgement and his discretion but using his powers rather than exercising any duty. As I said, I have come across cases but I think they are very much the exception, where you may actually find a statutory requirement for a public auditor to audit what would be a commercial company, but I think that would not be the normal situation.

HON G T RESTANO:

As I see it, at the moment, by law, the Principal Auditor has to audit the books of any company or entity or corporation which receives a subsidy. I can understand perfectly well why this amendment has been put in, the Financial and Development Secretary has said that it is really a waste of time when the Government makes a subvention on water and so on, I can see the sense in this, but really what is happening is that the Principal Auditor by law up to now has had to audit the accounts of any company which has received subventions, now with this amendment that statutory principle in being withdrawn and it is being left at his discretion. I think this is the right interpretation. My own misgivings on this is that in major and heavily subsidised corporations that by this amendment he will not as an obligation need to audit those accounts and that is what I would like to see included somewhere. I would like to see it obligatory for the Principal Auditor to have to audit or be responsible for the audit of heavily subsidised industries or companies or corporations.

HON ATTORNEY-GENERAL:

Mr Chairman, the proposition is correct that the principle that he must audit would be by this change that he may audit. I think it is important to keep in mind the distinctions between the various types of body because when I use the term statutory corporation I use it in contrast to the term commercial company and as a general proposition I do not think it is

practicable to insist that he audits a commercial company. As a general proposition I also think it is surely quite sufficient to rely on the exercise of his good judgement and his astuteness to exercise his powers as he sees fit. If there is a special case and I would see it as being a special case in the case of a commercial company, consideration could be given to legislation. In the case of statutory corporations I would think that frequently it would be given as in the case of the GBC where if you look at that statute you will find that in it there is a power, I think it is more than a power, for the Auditor to carry out an audit. That is the way I would approach it by having a general power and then in particular cases and more particularly in the case of statutory corporations, spelling out in the statute a duty to audit.

MR SPEAKER:

I think we have clarified the position. I think that both the Hon Member Mr Restano and the Hon Attorney-General know exactly what each are saying. What I would like to know, because otherwise we are going to go ad infinitum, is the Hon Attorney-General prepared to meet the requirement of the Opposition or not? I think they must take a decision.

HON G T RESTANO:

May I say one further thing? I did hear that the Parliament of New Zealand, for example, and Canada and Australia have been fighting fairly strongly for precisely what we have now, that the Principal Auditor in their countries should audit all subventions and subsidised corporations, companies, etc because they did not have it in their statute books. We do have it and now we are going to dilute it. I am quite happy to see it diluted to cover certain areas but not in general terms. I know they have been fighting for it because I heard about it about six months ago in the CPA Plenary Conference. I think New Zealand has achieved it but Canada has not and neither has Australia yet.

HON ATTORNEY-GENERAL:

Mr Chairman, I think that we understand each other's point of view. In practical terms I do not think it is a dilution but to the extent that it is a legal dilution I think it is a dilution in the context of an overall strengthening of the Auditor's role. In other words, the Constitution basically assumed that the Auditor is independent and that he is assiduous about his duties and the whole scheme of the various amendments proposed in this Bill, so far as they affect the Principal Auditor, are really aimed at underlining that and I think overall there is an endorsement of the Auditor's position.

HON G T RESTANO:

This amendment has only come up quite recently. Having heard the point that I have made, would the Hon Member consider the point that I have made and perhaps think about it and move an amendment to take these points into account?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, no, Sir. The Government is satisfied that the powers that are with the Principal Auditor will be adequate. They are exactly similar to those in the Exchequer and Audit Act in the United Kingdom where the Auditor-General has permissive powers, not mandatory in this field, and the Government does not propose to amend.

HON MAJOR R J PELIZA:

I think in this instance, comparing Gibraltar to the United Kingdom, I think is talking about chalk and cheese, they are two very different things altogether. Here it is really a minute society where we have one, two or perhaps three bodies which in my view are highly subsidised, almost paid for by the Government. Whilst one understands that the Auditor is a man of very good judgement in this respect and without casting any doubts in that respect about his ability, I think it is a responsibility of this House about the way in which that money is spent. It is obviously in relation to our small budget a very high proportion of our money that goes into the GBC and I do not think it is fair to compare the way that we must run our finances here in the same way as in the United Kingdom because it does not bear comparison in this respect. I think it should be mandatory on the Auditor and make it directly responsible to this House with respect to those large sums of money which are being spent in those corporations. I welcome the idea of course, I think the idea of the amendment is a good one, generally, but at the same time to catch the small fish we must not allow the big ones to get away, as it were. I think this is what is happening. Instead of closing the net we are literally opening it. Whilst I welcome the intention of the amendment at the same time we have to safeguard the position which appears to have worked very satisfactorily up to now unless the Financial and Development Secretary says the opposite and this perhaps may convince me to change my mind.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I merely mentioned the United Kingdom because the Hon Member opposite mentioned Canada, New Zealand and other Commonwealth countries and what he has not made clear is whether there the provision is mandatory or permissive. That is the first thing. Secondly, I think that we have here an adequate power to audit the accounts of any organisation or company which is receiving subventions from the Government and that there is no need in order to safeguard public funds to go any further.

HON G T RESTANO:

May I ask one further question, has he considered the fact that there may well be many more subsidised industries should there be a change in the operation of the Dockyard and there could well be quite a number of subsidised industries and this clause, as my Hon Friend on the right has said, opens the net for the Principal Auditor not to audit those accounts.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir, I have considered this point and I have already made the point that if we set up any further public corporations we shall ensure that there is provision in the legislation establishing them to audit their accounts. I made this point.

HON G T RESTANO:

But I did not say public corporations, I said public corporations or companies, or bodies which receive subsidies and subventions.

HON MAJOR R J PELIZA:

I mentioned before that it appears that it has been working up to now and I notice the Financial and Development Secretary has said it has not worked that well. Perhaps he could explain why not?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It has not because the Auditor has not been auditing the accounts. Has he audited the accounts of Hotels, no.

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

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

The following Hon Members voted against:

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

The following Hon Members were absent from the Chamber:

The Hon J Bossano
The Hon A J Haynes

The amendment was accordingly carried and New Clause 17 stood part of the Bill.

New Clause 18

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I beg to move that a new clause 18 be added to the Bill reading as follows: "Section 64 of the principal Ordinance is amended (a) by omitting the words "body corporate, body or person he shall", and substituting the words "person or body he may"; (b) in paragraph (iv), by omitting the words "body corporate, body or person", and substituting the words "person or body".

Mr Speaker then put the question in the terms of the Hon the Financial and Development Secretary's amendment which was resolved in the affirmative and New Clause 18 was agreed to and stood part of the Bill.

New Clause 19

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I move that Section 65 of the principal Ordinance be amended by omitting the words "body corporate, body or person", and substituting the words "person or body".

Mr Speaker then put the question in the terms of the Hon the Financial and Development Secretary's amendment which was resolved in the affirmative and New Clause 19 was agreed to and stood part of the Bill.

New Clause 20

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I move the addition of a new clause 20: That Section 66 of the principal Ordinance be amended by omitting the words "body corporate, body or person", and substituting the words "person or body".

Mr Speaker then put the question in the terms of the Hon the Financial and Development Secretary's amendment which was resolved in the affirmative and New Clause 20 was agreed to and stood part of the Bill.

New Clause 21

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I move that a new clause 21 be added to the Bill: That Section 67(1) be amended by omitting the words "body corporate, body or person", and substituting the words "person or body".

Mr Speaker then put the question in the terms of the Hon the Financial and Development Secretary's amendment which was resolved in the affirmative and New Clause 21 was agreed to and stood part of the Bill.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I move that the existing clauses 18 and 19 be renumbered accordingly.

Mr Speaker put the question which was resolved in the affirmative and existing clauses 18 and 19 were accordingly renumbered 22 and 23.

Clauses 22 and 23 were agreed to and stood part of the Bill.

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

THE LANDLORD AND TENANT (TEMPORARY REQUIREMENTS AS TO NOTICE) BILL, 1962

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 FAMILY ALLOWANCES (AMENDMENT) BILL, 1982

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 IMPORTS AND EXPORTS (AMENDMENT) BILL, 1962

Clauses 1 to 4 were agreed to and stood part of the Bill.

Clause 5

HON ATTORNEY-GENERAL:

Mr Chairman, I wish to move what may appear to be a substantive amendment but which is in fact purely a formal drafting amendment. The section being amended refers to duties whereas in fact by virtue of the amendment we would be taking the power to reduce not only duties but also fees in the Fifth Schedule, a question of terminology, and the easiest way to deal with it would be to add a sub-section 2. I beg to move that clause 5 accordingly be amended by adding as sub-section 2, the following sub-section: "(2) In this section, a reference to a duty includes a reference to a fee specified in the Fifth Schedule". I move accordingly.

Mr Speaker then put the question in the terms of the Hon the Attorney-General's amendment which was resolved in the affirmative and Clause 5, as amended, was agreed to and stood part of the Bill.

Clauses 6 and 7 were agreed to and stood part of the Bill.

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

THE INCOME TAX (AMENDMENT) BILL, 1982

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

Clause 3

HON ATTORNEY-GENERAL:

Mr Chairman, I beg to move in clause 3 that the expression "(b)" be omitted and that the expression "(a)" be substituted. This is a clerical error, it should be an (a) and not a (b) and the effect would be precisely the same as that already described at the Second Reading stage and in the Explanatory Note.

Mr Speaker then put the question in the terms of the Hon the Attorney-General's amendment which was resolved in the affirmative and Clause 3, as amended, was agreed to and stood part of the Bill.

Clause 4 was agreed to and stood part of the Bill.

Clause 5

HON ATTORNEY-GENERAL:

Mr Chairman, there is also another amendment I would like to move of a purely formal nature. In clause 5 to omit the expression "(1)" and substitute the expression "(2)" and where the existing expression "(2)" exists to substitute the expression "(3)".

Mr Speaker then put the question in the terms of the Hon the Attorney-General's amendment which was resolved in the affirmative and Clause 5, as amended, was agreed to and stood part of the Bill.

Clauses 6 to 8 were agreed to and stood part of the Bill.

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

MR SPEAKER:

The Clerk has quite rightly called my attention to the fact that the first three Bills that we did in Committee are dated "1981". This applies to the Housing Association Ordinance, the Fire Brigade Ordinance and the Public Finance (Control and Audit) Ordinance. Is that correct or do you wish to amend that?

HON ATTORNEY-GENERAL:

I was in fact aware of the point. I would ask the leave of the House to change the date of these three Bills to "1982".

THE SUPPLEMENTARY APPROPRIATION (1981/82) BILL, 1982

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

Schedule

Consolidated Fund - Schedule of Supplementary Estimates (No 4 of 1981/82).

Item 1, Head 2 - Customs

HON A T LODDO:

Mr Chairman, uniforms and personal emoluments. Does this mean that Government has now come to some agreement with the Customs Officers as to the manning levels there? There will not be any need to ask for extra on this extra?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

We have not come to an agreement with the Unions.

HON A T LODDO:

So it is possible that we will be asked for more money for more uniforms and more salaries?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If the Government were to concede the Union's request there would be, if they do not, there wouldn't be.

HON A T LODDO:

Mr Chairman, what would be the extent, should you not agree with the Unions?

MR SPEAKER:

We can most certainly ask whatever questions we like as to the expenditure that we are voting but not to possible future expenditure.

HON J BOSSANO:

I think the position at the moment is that the manning level has been effectively agreed in principle in the sense that the Staff Side accepted a reduced manning level which was being suggested by the Official Side conditional upon a satisfactory roster being possible with that reduced manning level and that the dispute is really about whether it is possible to operate a four-week cycle with the numbers suggested by the Government or not. If it were possible to produce a four-week cycle then, as I understand the position, an agreement would be reached and that would not involve the employment of extra people or any other additional expenses if it were possible to do a four-week cycle with the numbers that the Government has suggested and that the Union has accepted subject to this proviso.

Item 1, Head 2 - Customs was agreed to.

Item 2. Head 3 - Education

HON W T SCOTT:

Mr Chairman, on the £28,000 increase in tuition fees in the United Kingdom. Was this in fact not lowered to something like £3,000 or £3,000-odd per annum per student in relation to other students from the EEC countries?

HON MAJOR F J DELLIPIANI:

Sir, this is normal increase in tuition fees in the United Kingdom which covers their own British Subjects, it has nothing to do with the increase that they wanted to treat us as overseas students, it is just the normal increases that are going on through all the Universities. It applies to everyone.

HON A T LODDO:

In subhead 9, this increase in salary of UK-based Lecturers £2,360. How many Lecturers are involved?

HON MAJOR F J DELLIPIANI:

I have no idea.

HON A T LODDO:

Mr Chairman, has the Minister any idea how many Lecturers there are in the Technical College altogether?

HON MAJOR F J DELLIPIANI:

About 17.

HON A T LODDO:

Has the Minister any idea how many of these 17 are Gibraltarians?

HON MAJOR F J DELLIPIANI:

Those that are not Gibraltarian are UK.

HON A T LODDO:

Subhead 10. Increased demand for supply charwomen. Do I take it that a charwoman gets £6,000? How many does this £6,000 cover?

HON MAJOR F J DELLIPIANI:

I cannot give that kind of figure. This covers all the schools, all the cleaners who when sick or on leave, they have replacements.

HON P J ISOLA:

What we want to know is whether there is a high rate of sickness among charwomen in the Department.

HON MAJOR F J DELLIPIANI:

It might be an occupational hazard.

HON P J ISOLA:

Is this the average rate of sickness, that is what we want to know? Is it more or less the same in all the other Government Departments, is that it? Do you have a higher rate of medical certificates than in other Departments?

HON MAJOR R J DELLIPIANI:

Let me say, Sir, that we are investigating the rate of sickness of everybody in the Department.

HON J BOSSANO:

It has to be understood that there is a difference in the provision for coverage in other areas to that in the case of school cleaners because school cleaners are employed on the basis of square footage which is something that the House is not totally unfamiliar with. When people are employed by the hour it does not necessarily follow that there is a one for one coverage but when people are employed on a job, each person has got a defined area to clean and if the person that cleans that area is away then the area does not get cleaned unless another person is brought in to do the job. If one has a situation, for example, where there are 20 masons or 20 carpenters and one of the 20 is sick it does not of necessity follow that a new carpenter is brought in to cover so the provision for sickness in other Government Departments is basically a provision for so much salary for 52 weeks and if

people are working or not working those 52 weeks the provision stays unchanged, whereas in the cases where there is a replacement that does not get paid, that is only brought in, then effectively the person gets paid sick leave while they are not working and there is an additional cost of bringing in a replacement to do the job. I think that is the reason for the difference.

HON MAJOR R J PELIZA:

If therefore the Minister cannot quantify the number of people involved can he quantify it in time? Over what period of time have we had to pay £6,000 more for the cleaning?

HON MAJOR F J DELLIPIANI:

In a whole year.

HON CHIEF MINISTER:

There is now a rush to cover up all supplementaries required before the end of the year so that they are voted and they do not have to be carried. That is why there are so many of them now.

HON MAJOR R J PELIZA:

So, therefore, it would be possible perhaps for the Minister to say how much, overall, was spent in wages for cleaners over the whole year because of illness.

HON J BOSSANO:

For the sake of enlightenment of Members, the point that I was making is that in the case of women who are employed as they are in the schools to do a specific task, at the beginning of the year, as I understand it, there is a provision for the contracting of supply cleaners, there is a supply list of, say, 100 cleaners. These 100 cleaners are not paid by the Government, they are available to be called in to work when somebody is absent on leave or sickness. There is a provision for sick pay which is no different in the case of the cleaners that it is from everybody else but in other areas if somebody goes sick they do not get a replacement. That amount of money that I am voting, as I understand it, is the amount of money that has had to be paid to the supplies that have been called in and that is not estimated at the beginning of the year because one cannot know until the end of the year how much is required. Therefore, it is separate from the payment of sick leave which is no different in this area from what it is in any other area.

HON MAJOR F J DELLIPIANI:

I am very grateful to the Hon Member.

HON A J CANEPA:

Mr Chairman, the question that the Hon Member answered about the total cost. Apart from adding the £6,000 on to the £382,600, if he adds from the papers that have been circulated under the statement of reallocations approved by the Financial and Development Secretary from Head 27 which is the Pay Settlement, if he were to look at that, he would find that on 9 February, 1982, £20,900 were released by the Financial and Development Secretary under that Head to be paid as wages under this item 10, so the total sum is £20,900, £6,000 plus £382,600.

HON A T LODDO:

Mr Chairman, subhead 12, School Furniture. These £3,240, to what school or schools does it refer?

HON MAJOR F J DELLIPIANI:

I do not have to give explanations to what schools they are for. This £15,000 is for the whole of the Education Department, £15,000 for all the schools. The extra that I am asking is the increase in cost of the actual furniture after it was ordered and the freight charges. The £15,000 is for the Department of Education, for all the schools.

HON A T LODDO:

These £10,910. Extra cost of sponsorship scheme following increase in fees payable to MOD to £669 per annum. Is the Government fully satisfied that this increase is justified, considering that now there is parity of wages between teachers in Gibraltar and the United Kingdom?

HON MAJOR F J DELLIPIANI:

Yes, we are satisfied. This was a basis of negotiations between the Government of Gibraltar and the Ministry of Defence and we have come to an agreement which has been satisfactory for both sides.

HON A T LODDO:

I would like to know what are the arguments put forward by the Ministry of Defence to justify such an increase.

HON MAJOR F J DELLIPIANI:

It is not a question of argument, it is the actual numbers that fluctuated between one and the other.

HON A T LODDO:

Mr Chairman, am I right in assuming that the students remain the same, 90 sponsored students to the MOD schools, therefore, why should it cost this much extra to teach them in MOD schools as opposed to our schools when wages are the same for teachers all over Gibraltar?

HON MAJOR F J DELLIPIANI:

We are charging them more, too.

HON A T LODDO:

Are we charging them, Mr Chairman, exactly the same increases?

HON MAJOR F J DELLIPIANI:

It is almost a knock for knock agreement.

Item 2, Head 3 - Education was agreed to.

Item 3, Head 4 - Electricity Undertaking

HON G T RESTANO:

This seems to be quite a massive increase over the year, it is nearly 25%, is this major works that were carried out? If so, when were they carried out?

HON DR R G VALARINO:

Mr Chairman, I imagine the Hon Member is referring to the £13,5000.

HON G T RESTANO:

I do believe it is the only item under Head 4.

HON DR R G VALARINO:

This consists of two things, toilets, ablutions and sewage pipes within the Department, for the apprentices and the labour force. This is £7,800 and the building of inspection manholes in sea-water intake, this is £5,700.

Item 3, Head 4 - Electricity Undertaking was agreed to.

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

Item 5, Head 8 - Housing was agreed to.

Item 6, Head 11 - Labour and Social Security

HON W T SCOTT:

Mr Chairman, under this subhead there seems to be no numbers relating to the engagement of additional staff. What are the numbers involved?

HON P J ISOLA:

I am not quite sure why there is a need to engage additional staff in that Department.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Recruitment of nine additional officers has been approved and two are already in post.

Item 6, Head 11 - Labour and Social Security was agreed to.

Item 7, Head 12 - Lands and Surveys was agreed to.

Item 8, Head 13 - Law Officers

HON W T SCOTT:

Mr Chairman, this move that has been made to Seclane House, are the Law Officers occupying an already rented office, rented by the Government and previously used by another Government Department or is it a new rental?

HON ATTORNEY-GENERAL:

The premises were previously rented by the Government but were not used as offices as such.

HON P J ISOLA:

Were they used as accommodation?

HON ATTORNEY-GENERAL:

They were providing accommodation.

Item 8, Head 13 - Law Officers was agreed to.

Item 9, Head 14 - Medical and Public Health

HON G T RESTANO:

Could I have a breakdown of subhead 1, £136,500? How much for the GPMS Doctors, how much for the clericals etc?

HON J B PEREZ:

I have not got the exact figures with me but I can more or less tell the Hon Member what they are. As far as the additional GPMS Doctor is concerned, his salary would be around £18,000.

HON G T RESTANO:

That is a yearly wage?

HON J B PEREZ:

Yes, he has been more or less, say, six months. Clerical Assistant earning around £5,000. The overlap in the Consultant Anaesthetist was a total period of six months, average wage of a Consultant is around £22,000, so six months would be £11,000 and you have to add on the gratuity as well and as the Hon Member knows they are paid 25% every two years. They have a gratuity of 25% of their salary which is paid every two years. This is on the same lines as in the United Kingdom, so you would have to add that. As far as the Medical Specialist is concerned the overlap was a very small period of time, I think it was probably about a month so you divide, let us say, £25,000 by 12 you would a month, £2,000-odd. Engagement of a Senior House Officer to cover the

absence on Study Leave of incumbent, this is in connection with the two local doctors who are undergoing further periods of specialised training, namely, Doctors Borge and Correa, who in the meantime whilst they are in Gibraltar are supernumerary Registrars and they actually do the work of Senior House Officers and that has been for around six months at least. A Senior House Officer's rate of salary is slightly less than that of a GPMS doctor. I think it is around £16,000. Apart from that the remainder is basically due to the fact that we under-estimated at the time of the Estimates the whole level of salaries, gratuities and allowances, of the whole staff of the Medical Department. That is basically the reason for the supplementary. I am sorry I cannot give more exact figures but more or less I think I have given an accurate breakdown.

HON G T RESTANO:

I must say I am most dissatisfied with that answer because it says quite clearly in the Explanatory Notes on the right hand side of the page that it is under-estimated

HON J B PEREZ:

I am telling you that the reason is that we under-estimated at the time of the Estimates.

HON G T RESTANO:

So the under-estimation is in the region of £100,000?

HON J B PEREZ:

More or less, yes.

HON G T RESTANO:

Isn't that rather an unsatisfactory situation?

HON A J CANEPA:

Out of £2.5m?

HON J B PEREZ:

Let me put it this way, Mr Chairman. At the time of the Estimates one estimates more or less what one anticipates one is going to have to spend on personal emoluments, you add on gratuities and allowances. In the middle of the year there

was also a wage increase as well so it is not very easy when you have total staff amounting to 450 in the Department to work accurately exactly what the wages are going to be for the whole year. Mr Chairman, I would like to move that a new item be added under Head 14.- Medical and Public Health - Subhead 9. Drugs, Dressings and Pharmaceutical Sundries £28,000. The reason for this is to meet outstanding commitments to the Group Practice Medical Scheme Chemists. The provision made for this purpose was under-estimated.

Mr Speaker put the question in the terms of the Hon J B Perez's amendment which was resolved in the affirmative and the new item was accordingly included.

Item 9, Head 14 - Medical and Public Health was agreed to.

Item 10, Head 15 - Police

HON P J ISOLA:

Mr Chairman, I would like to raise two things on this; one is that following the Lisbon Agreement in April, 1980, the Dockyard was taken over by the MOD and as a result our revenue fell by £700,000 from the MOD share of the Dockyard. That must have released, obviously, a number of policemen and what I would like to know is how many policemen were in fact released as a result of the Admiralty taking over the Dockyard themselves and how it is necessary having regard to the numbers already released, what is the need for another 25? My recollection at that time was that with the Dockyard being taken over by the MOD, that should have released enough police officers to deal with the frontier situation.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, if I remember correctly, the number of police released was only about 39 and we achieved savings in overtime with those men. If the Hon and Learned Leader of the Opposition will look at the approved Estimates for 1980/81 he will find that compared with that for 1981/82 overtime was £296,000 in 1980/81, that was the approved Estimates, the revised was much higher with salary increases etc and this year the overtime is only £200,000 and we cut the police overtime from 5 hours a week to 2 hours a week, their conditioned hours became 42 instead of 45 and that was achieved because of the saving on manpower from the Dockyard.

HON P J ISOLA:

Is it being said that all we gained by the Dockyard responsibilities being taken over by the MOD was merely a saving of overtime, is that all we have done? Extraordinary.

HON CHIEF MINISTER:

It is the spreading of the number of police officers into the system in a way where overtime was 8 hours and it was reduced by 5 and now it is hoped that we can reduce it further because the extra policemen make it possible not to have compulsory regular overtime at 48 hours a week.

HON J BOSSANO:

Mr Chairman, the Admiralty was meeting about half the cost of the Police Force and the House was told at the time that the justification for accepting what was virtually a doubling of the cost of the Police Force to the local taxpayer was that we needed the services of those policemen because of the frontier opening. It seems that we have doubled the cost of the police and the officers that were released are insufficient to meet the frontier opening because we are now being asked for an extra 25. Surely, if the Government was anticipating at that time that the frontier was about to open and they thought they could cope with it without the 25 extra, why do they need the 25 now?

HON CHIEF MINISTER:

We did not say we could cope without them. The loss is not only in the number of people but in the fact that the Dockyard also paid a corresponding management charge of the overall cost of the Police Force, a proportionate one, which of course was a loss. By acquiring the people and giving them more time we spread the loss in that sense but we still lost the amount of money that was paid proportionately of the running of the whole of the Police Force.

HON J BOSSANO:

I am aware of that. The point I am making is that the Government accepted at the time the loss of the Admiralty contribution to the Police Force on the grounds that they were facing a situation where the frontier could be opening and they had no choice in the sense that they needed the policemen to man the situation. If they were then anticipating an open frontier and preparing for it with the officers released by the Admiralty, why is it now that they are no longer in a position to face an open frontier with the officers from the

Admiralty they would have used in 1980, why do we need now to employ 25 more when the frontier has not opened? Or have these officers been taken on a temporary basis, the same as the ones in the Customs and that if the need does not materialise they are then going to be sacked, is that the position?

HON CHIEF MINISTER:

We do not know what will happen on 20 April but, certainly, the police were able to be absorbed for the frontier at the time but when the frontier was not opened then the re-arrangement of the Police Force, generally, was made in order to reduce the overtime to absorb them without the extra duties at the frontier, ie the same money was being spent or about the same money was being spent in more people but with less overtime, less regular overtime. There has been over a year now in which the Police have made an assessment of their permanent requirements on a 42-hour basis. The next increase, I understand, is rather high for the police unlike other increases in England and it may be possible to cushion off the last two hours in order to keep them on regular time.

HON J BOSSANO:

Mr Chairman, I cannot accept that. If the Chief Minister is saying that the police released by the take-over of the Admiralty for their own security arrangements was absorbed into the costs by the reduction of overtime, if the House is then being told that it is more cost effective to employ more policemen and pay this overtime, why did we have to wait for the Admiralty to take the step of the frontier to open? If this is something that the Government considers is necessary then why haven't they done it at the same time as they did away with social overtime in the rest of the public sector when parity was introduced?

HON CHIEF MINISTER:

That was it. Before the big increases in salaries came as a result of the Thatcher Government, the police had to get social overtime.

HON J BOSSANO:

But in the rest of the public sector, when the agreement was reached to introduce United Kingdom rates of pay, the Unions were told that in Gibraltar there was a system of paying social overtime effectively to enhance earnings, overtime that was not really necessary and that in future now that we were getting United Kingdom rates of pay people would only be given the overtime they required. I am saying that if

that was the case in the whole public sector, why was it not the case in the police and why was it that until the opportunity came up that policemen were released by the Admiralty, no attempt was made to eliminate social overtime in the Police Force because that is what we are being told that the officers released by the MOD were absorbed into the police work by the reduction of overtime. If it is cheaper to employ more officers rather than pay overtime and as a matter of policy since 1978 there is no social overtime, why did it have to wait till 1980?

HON A J CANEPA:

With all due respect to the Chief Minister I think he made a mistake in describing it as social overtime. In the Police Force they were working a 48-hour week and the alternative was that if we had cut to a 40-hour week there would have been a need to employ more police constables. Social overtime is overtime which is not necessary in the sense that two hours every day were being given to industrials and a Saturday, because it had become the pattern of life in days when the basic wage was low and particularly during the two years that wages were frozen between 1976 and 1978 and that had been allowed to develop but in the case of the policemen we would have had to employ many more people. When the MOD released whatever number it was, then those constables were available and therefore you could cut the conditioned 48-hour working week for the Police Force. When we were in a position to do that by then the salary increase that the Police Force became entitled to was not as substantial as it had been the previous year and as a result of cutting from 48 to 45, in effect their pay packet might have been reduced so we cushioned it and that is why we only went as far as we actually did which was the same policy that had been applied with the industrials, it was done in stages over a period of time. Because we took the opportunity to cut hours and not employ more people and in the event the Lisbon Agreement was not implemented, now that the frontier is going to open we have cut the overtime and we need to employ more police constables in order to cope with the increased duties.

HON J BOSSANO:

Mr Chairman, if in fact it is better from the point of view of public expenditure to employ more bodies and pay less overtime, then what I am saying is why did the Government wait to do this until they were faced with a situation that they had surplus policemen? If it makes more sense to pay overtime rather than employ people then why not pay overtime now rather than employ people now?

HON A J CANEPA:

We did not wait, the matter was being considered but it was also being considered in the context of civilianisation of parts of the Police Force and two things happened which really in a way delayed the deliberations. First of all, there was a change of Deputy Governor and the previous Deputy Governor had been very intimately involved with this question of civilianisation. Secondly, there was a change in Commissioner of Police and therefore you had to allow the present incumbent some time for him to consider the requirements of the Force in Gibraltar and to put his own views to Council of Ministers. But I can tell the Hon Member that this is a matter which has been discussed in great detail in Council of Ministers on a number of occasions over the last 2 or 3 years.

HON P J ISOLA:

Is the basic position really that if the frontier had opened then the police released from the Dockyard would have been used for that with overtime but then because the frontier did not open and it was found that somebody had boobed on the question of the Dockyard closure, the opportunity was taken to reduce the overtime?

HON A J CANEPA:

That is it.

HON P J ISOLA:

Mr Chairman, we are being asked to vote the 25 new police constables, is that going to affect the upper echelons of the establishment? Are we going to have more Chief Superintendents, Chief Inspectors, Sergeants, at all? Are any envisaged at all?

HON CHIEF MINISTER:

They are all indians.

HON A J CANEPA:

No chiefs.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think the 25 were the first tranche of indians, as it were. When we see how things go with an open border there may be a requirement for additional police but that we have got to wait and see in the light of the circumstances.

HON J BOSSANO:

Is there not going to be a staff inspection to establish whether the higher structures are adequate?

HON A J CANEPA:

If the staff inspection is going to give rise to a more top heavy structure I hope it will not take place.

HON J BOSSANO:

From my experience these situations do lead to staff inspection and then lead to more senior grades being created.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There might be one extra sergeant, I think, that is all, no Chief Inspector or Superintendent.

HON P J ISOLA:

We are asked to vote 25 more. Can I have the statement I was promised about whether we are going to see more policemen on the beat and things like that when the frontier opens?

HON CHIEF MINISTER:

I was going to make that statement now. The 25 recruits are training to meet the frontier situation. There will be additional security and traffic arrangements implemented at the frontier from 20 April. The police will also maintain additional surveillance throughout Gibraltar and in particular anticipated trouble spots throughout Gibraltar including the Upper Rock. They will be offering advice to the public before the 20 April in the following matters: Safety precautions against crime in Gibraltar, the locking of houses etc. We have just had one officer who has just returned from a course in England and he is advising particularly establishments etc. I could show you one that I have received today in respect of certain premises that must be safeguarded with proper devices, etc. The traffic problems that may be foreseeable in the future, they are trying to give advice on that. Traffic requirements in Spain, they are also giving advice on that because the traffic laws in Spain are slightly different and if we are going to avoid a lot of traffic problems in Spain people will be advised about that and I have a note here from the Commissioner which of course is obvious, that the Police are very conscious of the need that an open frontier will give rise to and public sensitivity and they will do their utmost to see that the public order is kept at the highest as has been for a long time.

HON MAJOR R J PELIZA:

Since the Hon Chief Minister has referred a lot to the situation of an open frontier, has the Government given any thought to the revitalisation of the Special Constabulary that we had in Gibraltar?

HON CHIEF MINISTER:

Yes, the Commissioner is looking into that. I did raise that with him some time ago and the Commissioner is looking into it, he is looking into other alternatives that appear in England too. There is an item in the news today about a Police Reserve. I knew he did not like too much the question of a Special Constabulary but he is very keen on a Police Reserve because they can be trained.

HON W T SCOTT:

Am I to understand that 25 policemen for two months cost £25,400, that a young police recruit whilst undergoing training receives £500 a month?

HON CHIEF MINISTER:

With allowances and uniforms, yes.

HON P J ISOLA:

What happens when he becomes a policeman?

HON CHIEF MINISTER:

He is a policeman from the first day.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

These figures may be possibly out of date because they are last year's estimates. Less than one year, £3,984, then it goes up, 5 years to £5,174, up to 15 years. £6,277. That is basic pay and on top of that the last pay increase was about 13% but in addition to that he has got his rent allowance.

Item 10, Head 15 - Police was agreed to.

Item 11, Head 17 - Post Office, Savings Bank and Philatelic Bureau, (2) Philatelic Bureau

HON MAJOR R J PELIZA:

Mr Chairman, I welcome the idea of retaining the two Clerical Officers. I suppose the people who have been seconded there are now going to stay there permanently but isn't there really a need to retain or get a couple more clerks on the service side of the Post Office, not on the money-making side, on the savings side which is the counter which I still believe is not giving satisfactory service to the public in Gibraltar? Couldn't the Minister give again some thought to increasing the number of people on the sales counters?

HON H J ZAMMITT:

Mr Chairman, the question of the counter staff at the Post Office was the subject of staff inspection. That goes back to the days of my colleague the Hon I Abecasis. The question that the Hon Member has raised of retaining, I think I should point out that what happened here was that as a result of staff inspection over a year ago it was proposed that we should lose two because the staff inspectors were saying that a person should handle so many accounts but by the time it came to actually losing the two clerical officers it was found that the number of accounts had increased so greatly that in fact their being retained was justified and as the Hon Member knows the question he asked about the Social Insurance stamps is that one of the girls we have is at the Post Office and she relieves the counter clerks there by dealing exclusively with philatelic sales and with social insurance stamps upstairs. There is already a certain amount of relaxation in the Post Office by moving up the social insurance stamps to the Philatelic Bureau on the first floor of the General Post Office.

HON MAJOR R J PELIZA:

So what the Minister is saying is that there should be an improvement because of these two posts which are going to become permanent and with the re-arrangements he has made there should be an improvement in the service at the counter sales of the Post Office because whatever he may say about the staff inspection I think that if the Minister cares to look around and look at the queues and the delays, he may be convinced that whatever the staff inspection may have said in practice it is the opposite. There is definitely a need for better service at the counters of the Post Office.

HON A J CANEPA:

My experience when I go to the Post Office is that there aren't the queues that I find, for instance, in the Bank and in the Bank they are dealing with my money and yet the queues there are much longer and the public does not complain.

HON MAJOR R J PELIZA:

Perhaps because the Bank is dealing with his money he is entitled to go there or go to another Bank but he has got to go to the Post Office whether he likes it or not.

HON H J ZAMMITT:

Mr Chairman, I think it has been over-exaggerated. There have been queues as there are in all commercial enterprises or in every place where the public attend, there are peak periods. No one can avoid that and there is a time factor which could well be, say, 10.30 or 11 in the morning when there is a peak but I can assure the Hon Member that I have paid particular attention to queues there and it is not as dramatic as people make out to be unless that particular person wants to be there at the peak hour every day and not expect a queue. There is a queue everywhere in the world for most things nowadays. I cannot agree there is not a service, the service is good at the Post Office nowadays and as I say we have already seen the difference. Since we moved the social insurance stamps to the first floor there has been a marked improvement and I have received a lot of favourable comment from the general public since this occurred in early January.

HON MAJOR R J PELIZA:

I welcome the move and I am sure this will be an improvement but since he admits that at peak hours there are difficulties, couldn't arrangements be made to open more counters at that time of the day and perhaps that more people are moved from one place to another to satisfy the demand?

HON H J ZAMMITT:

Mr Chairman, it is not as easy as the Hon and Gallant Major suggests. I do not think it is fair comment today to say that people are unduly kept queuing up at the Post Office.

HON P J ISOLA:

With the frontier opening, there is obviously going to be a demand for stamps from all these millions we are told are going to come through. Does the Government propose to open the Post Office on Saturday mornings?

HON H J ZAMMITT:

That is something that, as yet, we have not looked at but the Hon Member can recall that when Government has found that there has been a particular demand for delivery of mails on Sundays, if the need be I am sure Government will consider. The question of what the Post Office will have to cope with as a result of the millions that the Hon Member speaks about, we will just have to wait and see and then I shall probably be here after April to let you know what we will be doing.

HON J BOSSANO:

Mr Chairman, it seems to me that the Government's assessment of the effect of the opening of the frontier depends on which Department it is dealing with. In the case of the Police we have been told that there are 25 officers being recruited on a permanent basis. In the case of the Customs we are told that there are going to be 21 officers recruited on a temporary basis and in the case of the Post Office we are being told no officers are going to be recruited. Presumably, they expect, for certain, that the opening of the frontier will create problems for the Police, possibly problems for the Customs and no problems for the Post Office, is that their assessment?

HON H J ZAMMITT:

Mr Chairman, I am sure the Hon Member is not as naive as all that. If the Hon Member, and I am sure he does, pays attention to what Government has been saying, an enormous amount of preparation in the form of satchets of postage stamps have been prepared, more machines have been prepared and more machines have been installed at the Post Office. There will be an improved service.

HON J BOSSANO:

If the Government have, in fact, in other areas put to the Staff Side that they are only willing to recruit extra staff on the clear understanding that should the volume not materialise those people cannot expect continued employment, and the Staff Side have accepted this on the basis that it is better to make provision and then if it is not required then it is not required, rather than to say we are not going to make any provision and then find ourselves inundated with work we cannot cope. Because I would have thought if we are going to get a lot of tourists, then if they buy nothing else, presumably they will buy postcards and postage stamps and the demand on the counter staff is bound to happen. If it does not happen there it will not happen anywhere else, I would have thought.

HON H J ZAMMITT:

I am sure there will be a greater demand at the Post Office.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Post Office has, in fact, asked for an extra Clerical Officer and approval in principle is being given. He has not yet been recruited.

Item 11, Head 17 - Post Office, Savings Bank and Philatelic Bureau, (2) Philatelic Bureau was agreed to.

Item 12, Head 18 - Prison

HON W T SCOTT:

Mr Chairman, are these £5,000 additional overtime to reinforce the security at the Prison and will this be reflected in subsequent years or is it only for this year?

HON A J CANEPA:

I do not think it need necessarily be reflected in subsequent years. The prison population has been dropping, I think it is certainly less than when I was Minister for the Prison when we used to average 35 or 36, I think it 20-odd now. The legislation that has been approved in the House today with respect to release on parole and deportation should help in bringing the numbers down to a reasonable level.

HON W T SCOTT:

I ask that because, Mr Chairman, in the approved Estimates, and I think I made mention of it in the Budget, we see an enormous incidence of overtime.

HON A J CANEPA:

Yes, again because they are working a conditioned week in excess of 40 hours. They work 48 hours conditioned and sometimes they have to be brought in for extra duties, as replacements. This is an area where we looked into the possibility of employing more staff and cutting the overtime, at the time it did not seem to be worthwhile, should the situation develop that there is unemployment more staff can be taken on here cutting on overtime and spread the cake rather more justly.

HON W T SCOTT:

It seems to me an identical situation to that which was discussed about half an hour ago, is the Police Force.

HON MAJOR R J PELIZA:

Increase in the cost of meal supplied by Medical Department. There has been what I thought was a most unfair comment on our Prison which I read and about which I have not see any official reply except for some photographs in the local press but it does refer to the food and it does say that the food arrives cold. I used to visit the Prison about 20 years ago and even then I thought the Prison was well run and I saw nothing anywhere near the criticism that I have seen in that particular report which was given a lot of prominence in the national press in the United Kingdom and very badly biased against Gibraltar. I wonder if the Minister can say something about the food and perhaps take the opportunity of clearing the point.

HON A J CANEPA:

First of all, there is going to be a paper published by the Government in the form of a White Paper answering the criticisms in the Howard League Report. As far as the meals are concerned, I can tell the Hon Member that when we changed the set-up and instead of having meals cooked on the premises which oddly enough is what the Howard League is now proposing should be done, when we changed the set-up and meals were brought from the Hospital, I made it my business to be present on more than one occasion to see how the meals were arriving and to ensure that the quantities were sufficient and I can assure the Hon Member that from my observation on those occasions I can guarantee that the meals are nutritious, the quantity is plentiful, attractively set, tasteful. The members of the Prison Board have sampled themselves the meals and I can assure the Hon Member that there are no complaints from the prisoners in this respect. No complaints whatsoever.

HON J BOSSANO:

The move towards having the meals done by the Medical Department was as a result of a petition.

HON A J CANEPA:

As a result of an Inquiry carried out because of disturbances and it was and it is unquestionably an improvement.

HON J BOSSANO:

The Medical Department does not prepare a special prisoners' menu, it is part of the normal food they produce for people who are not prisoners.

HON A J CANEPA:

That is so.

Item 12, Head 18 - Prison was agreed to.

Item 13, Head 22 - Secretariat was agreed to.

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

Item 15, Head 24 - Tourist Office (1) Main Office (2) London Office

HON P J ISOLA:

On the question of the cost of major repairs to vehicles. Isn't the Tourist Office car quite an old one? Ought not consideration to be given to replacing it rather than spending £1,600; if it is the Tourist Office car we are talking about?

HON H J ZAKMITT:

Yes, Sir, the Tourist Office car is the staff car. It is about six years old, it has gone round the clock, I think, twice. It has kept very well but the engine has had its fair wear and tear. What happened here, Sir, was that the gearbox went and we had the option of either not using it at all or buying a gearbox. We had it repaired and then it failed and then we had to buy a second-hand gearbox from England, but I would tell the Hon Member that provision has been made for a relief car in next year's Estimates.

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

Item 16, Head 29 - Contribution to Funded Services

HON P J ISOLA:

That is the tanker, isn't it, the £210,300?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This is the general increase in costs.

HON P J ISOLA:

This is additional to the tanker? We are paying for the tanker aren't we, so we are told?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This is that the projected out-turn for the year on the Potable Water Fund there is going to be a deficit of £210,300 despite the additional money that is coming in for the tanker water and this is a vote to clear it so that we start next year with a clean slate, as it were. This was agreed by the House on a previous PAC Report where it was suggested that instead of carrying deficits forward we should clear them at the end of each financial year.

HON P J ISOLA:

Could I just make a comment as this is the last item on the supplementary appropriation? Without the Hon Mr Perez's amendment of £28,000, if he had not brought that amendment in, the four Supplementary Appropriation Ordinances so far would have amounted to £1,164,418 that we are voting and I notice that in the approved Estimates the estimated surplus for the year was £1,164,400, so we would have still been in surplus £18. The Hon Mr Perez has put his foot in it, as it were, because the £28,000 has now changed the whole picture, that is a tremendous coincidence, I think, Mr Speaker. Can I ask the Hon Financial and Development Secretary, therefore, if revenues are coming up as estimated, in which case there will be a very minor deficit, or are revenues down on what was estimated so far, more or less?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, it is not a question of whether just revenue is up or down, that is one factor of the equation. It is also whether expenditure is up or down and it may be that whilst we are coming to the House for additional expenditure in some areas there may be less expenditure in others. All I can say is, and I hope I will not be held to this later in the year, that we appear to be on target.

Item 16, Head 29 - Contribution to Funded Services was agreed to.

Schedule of Supplementary Estimates Consolidated Fund (No 4 of 1981/82), as amended, was agreed to.

Improvement and Development Fund. Schedule of Supplementary Estimates (No 4 of 1981/82)

Head 101 - Housing

HON G T RESTANO:

Is the work on the pitched roofs proving to be successful?

HON M K FEATHERSTONE:

Sir, so far three roofs have been completed 100% and in all the rains that we have had there was no trouble whatsoever. We would hope that when everything is completed we will have a completely waterproof roof system.

HON A T LODDO:

Mr Chairman, these related works, do they refer to the re-painting of the flats that have been damaged by rain?

HON M K FEATHERSTONE:

They will include the putting right of this damage.

HON A T LODDO:

Will this putting right of any damages include the painting of the ceilings?

HON M K FEATHERSTONE:

It should do, yes.

HON P J ISOLA:

It is a long time since there was a settlement at Varyl Begg Estate but do I understand the position that, in fact, the settlement of the Varyl Begg issue is now going to cost an additional £292,700?

HON M K FEATHERSTONE:

The £292,000 is that work is proceeding quicker than was estimated and therefore we have got to spend more money this year and less money next year.

HON P J ISOLA:

But that is not what the note says, Mr Chairman. It says: "Total cost of project revised from £1,275,750 to £1,437,700".

HON M K FEATHERSTONE:

The difference there is not £292,000.

HON P J ISOLA:

It is £161,000 but it is still money that is costing the taxpayer.

HON M K FEATHERSTONE:

The position is that in all these contracts there are fluctuation clauses and so far some of the fluctuations have come through and they have totalled some £36,000. I would mention that before the contract is finished we do expect that the fluctuations will go up a certain amount more and therefore that will have to be asked for in the future. There are also some extra expenses, ladders are being fitted so that one can get on the roofs, the guttering had to be improved, the de-watering took more money than was estimated and there was also the final figure of the original contract that had to be paid to the consultants, Sir Hugh Wilson, and the electrical consultants and the Quantity Surveyors.

HON P J ISOLA:

So it is still costing us a lot more than the settlement announced. That was bad enough, I must say, don't think I thought that was a good settlement. We have come out from that settlement losing still more money, that is a basic fact.

HON M K FEATHERSTONE:

We would have had to have paid the amount owing on the original contract come what may. What has happened is that until we knew how much we were going to reduce their fees we could not get to the final figure.

HON W T SCOTT:

If I remember correctly, there was a contract entered into where the Gibraltar Government paid some part, the consultants provided their services free and the contractor also paid his share. If the taxpayer is now being asked to pay in excess of what which we have already been told, £161,950, because of the reason stated, is the contractor also paying a pro rata share other than the one entered into?

HON M K FEATHERSTONE:

No, Sir. When the contractor paid £450,000, that was his contribution. The fluctuation clause is the one that will make the difference. We cannot really ask or bind the contractor to come in for fluctuations.

HON J BOSSANO:

Is, in fact, the contractor the one that puts a claim under the fluctuation clause?

HON M K FEATHERSTONE:

Yes, they expect us to pay.

HON J BOSSANO:

I must say it is a very attractive arrangement from the contractors' point of view because one has a fixed price contract in what one has to pay and a fluctuating price contract in what one receives.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

A fixed price contract would have been very much more expensive than a fluctuating contract because what happens in a fixed price contract over a year the contractor builds in to the price of the contract what he expects will be the fluctuations over the year.

HON J BOSSANO:

But it seems to me, Mr Chairman, that in assessing the relative responsibilities of the Government and the contractor it was said in this House that there was a betterment factor and that it was primarily because of the betterment factor that the Government was making a contribution. Unless somebody can say that the fluctuations have been exclusively in respect of the betterment factor then it seems to me that the contractor's liability would fluctuate with the fluctuation of the cost of the job. Given that it is the same contractor that has the liability that has got the right to exercise the fluctuation clause, we are putting him in the relatively protected position that he comes along and says that a job will cost £1m, for example, of which he will meet £.5m, with the fluctuation clause, then later on he says it is now £1.25m of which he will still meet £.5m and you meet £.75m. If we were talking about different parties then one might say the fluctuation clause is not going to be used by the party involved in the dispute but when you have got a fluctuation clause and the party in the dispute has got a fixed cost element in it, it seems a very strange arrangement to me.

HON ATTORNEY-GENERAL:

Mr Chairman, there was a settlement for a fixed sum from the contractor and there was a contract negotiated to put up the new roofs. I am pretty sure I said when announcing that, that the contract to put up the new roofs was for a price of £1m. I can check but I am sure I also said it was subject to fluctuations and the formula for fluctuations was in the contract.

HON J BOSSANO:

That is precisely the point, Mr Chairman, that having reached an agreement with the contractor who was responsible for the original work that he should meet part of the cost of remedying the defects, his contribution to remedying the defects are fixed in spite of the fact that the cost of remedying them are not fixed and therefore the proportion that he is paying eventually will be less than the proportion that was originally agreed. I do not see, particularly since he is doing the work himself, and particularly since he is the one making use of the fluctuation clause, as the existing contractor he comes along and says that it is going to cost more because of a, b and c but, of course, he is not going to pay more out of what it is going to cost more because his contribution is fixed initially. I would have thought that the contractor should have been told either you put it right for a fixed price and we decide how much of that is your responsibility and how much is the Government's or else we decide what proportion of the cost Government has to meet and what proportion you have to meet and if the price fluctuates then since the proportion that you have to meet is fixed, the actual cash cost to you will go up at the same time as the Government's cash cost goes up. I would have thought so.

Head 101 - Housing was agreed to.

Head 104 - Miscellaneous Projects was agreed to.

Head 108 - Telephone Service was agreed to.

Schedule of Supplementary Estimates Improvement and Development Fund (No 4 of 1981/82) was agreed to.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move that in Part I of the Schedule Head 14 - Medical and Public Health, the figure of "£168,135" be deleted and the figure of "£196,135" be substituted therefor. Mr Chairman, I also move that at the bottom of Part I of the Schedule the total figure of "£755,825" be substituted for "£783,825".

Mr Speaker then put the question in the terms of the Hon the 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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I beg to move an amendment to the last three lines of Clause 2: That the words "seven hundred and fifty-five thousand, eight hundred and twenty-five pounds" be deleted and that the words "seven hundred and eighty-three thousand, eight hundred and twenty-five pounds" be substituted therefor.

Mr Speaker put the question in the terms of the Hon the Financial and Development Secretary's amendment which was resolved in the affirmative and Clause 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:

Sir, I beg to move that in Clause 4(1) in the second and third lines thereof that the words "seven hundred and fifty-five thousand, eight hundred and twenty-five pounds" be deleted and the words "seven hundred and eighty-three thousand, eight hundred and twenty-five pounds" be substituted therefor.

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

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

The House resumed.

THIRD READING

HON ATTORNEY-GENERAL:

I have the honour to report that the Housing Associations Bill, 1982; the City Fire Brigade and Fire Services (Amendment) Bill, 1982; the Public Finance (Control and Audit) (Amendment) Bill, 1982; the Landlord and Tenant (Temporary Requirements as to Notice) (Amendment) Bill, 1982; the Family Allowances (Amendment) Bill, 1982; the Imports and Exports (Amendment) Bill, 1982; the Income Tax (Amendment) Bill, 1982, and the Supplementary Appropriation (1981/82) Bill, 1982, have been considered in Committee and agreed, in the case of the Housing Associations Bill, 1982; the City Fire Brigade and Fire Services (Amendment) Bill, 1982; the Public Finance (Control and Audit) (Amendment) Bill, 1982; the Imports and Exports (Amendment) Bill, 1982; the Income Tax (Amendment) Bill, 1982, and the Supplementary Appropriation (1981/82) Bill, 1982, with 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 Housing Associations Bill, 1982; the Landlord and Tenant (Temporary Requirements as to Notice) (Amendment) Bill, 1982; the Family Allowances (Amendment) Bill, 1982; the Imports and Exports (Amendment) Bill, 1982, and the Supplementary Appropriation (1981/82) Bill, 1982, the question was resolved in the affirmative.

On a vote being taken on the City Fire Brigade and Fire Services (Amendment) Bill, 1982 and the Public Finance (Control and Audit) (Amendment) Bill, 1982, the following Hon Members voted in favour:

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 Hon R J Wallace

The following Hon Members voted against:

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

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon A J Haynes

The Bills were read a third time and passed.

The House recessed at 5.25 pm.

The House resumed at 5.50 pm.

PRIVATE MEMBERS' MOTIONS

HON J BOSSANO:

Mr Speaker, I beg to move that: "This House is concerned at the reports that immigrant labour is being employed illegally and considers that the number of Labour Inspectors should be increased to permit such cases to be detected. It further considers that amending legislation should be brought to the House to substantially increase the fines payable for such offences". Mr Speaker, the question of the employment of workers without the necessary documentation is not something that is new in Gibraltar, it is something that has happened for some time but in fact it has not been seen, I think, as a serious threat in the past in circumstances where there was, relatively speaking, a situation of practically full employment where we had a level of unemployment which tended to fluctuate around the period of school leaving, around July and August, and then sort of tail end before the year. We have seen in the last year or so a creation of a hard core of unemployment where although the total level has stayed around the 360 to 400 mark, the Gibraltarian content of that level has been steadily rising and that indicates that we are talking now about more permanent unemployment because, generally speaking immigrant workers tend to leave the employment market when they have exhausted their unemployment benefits and they find that the prospects of further employment are virtually nil and they have got the expense of staying here in Gibraltar. Clearly, from a Government point of view, the employment of unauthorised workers who are not properly documented is undesirable for a number of reasons. They are not covered by insurance, they do not pay income tax and they do not appear in any labour statistics which tends to throw calculations about the level of economic activity out of gear. If we are talking about a very reduced number of people, it might be said that the size of the problem is such that to devote resources to eliminating it might mean taking a sledge hammer to crack a nut, the effort required to stamp it out might be greater than in fact the danger it represents. However, the pressure to do something about this I think is bound to increase as a result of the deteriorating

employment market that we have seen recently and which, I regret to say, looks likely to get worse rather than better with something like 200 redundancy notices over the next few months in the construction industry and the fact that already a number of Spanish Nationals have come to Gibraltar before the frontier opening obviously hoping to obtain employment here prior to the frontier opening in the expectation that this will put them at the head of the queue and clearly in ignorance of the nature of the legal requirements in Gibraltar. I asked, Mr Speaker, during the earlier part of the meeting, about the procedure for the employment of immigrant labour in Gibraltar and the fact that the practice has been to require people to apply for a permit in their country of origin and to require the employer to obtain the permission of the Labour Department to import labour and that that permission is only given if the necessary skills are not already present in the existing labour force with priority being given to EEC Nationals but with second priority going to existing unemployed immigrant workers who are already in Gibraltar and who have already been working in Gibraltar and have become unemployed. I can tell the House, as a Trade Union official, that the Trade Union Movement is very concerned about a situation where particularly in the private sector, because obviously this does not happen in official departments, official departments do not employ workers who are not properly documented, but in the private sector one could find a situation where the existing standards negotiated by the Union with good employers could be undermined by other employers who are prepared to take on undocumented labour and pay much more rates. I can tell the House that I was quite shaken by information that I was given that the situation in La Linea appears to be that only something like 20% of the labour force is organised by Unions and that the rates of pay negotiated by the Unions for that 20% is half of ours. So we are talking about Gibraltar being exposed to a supply of labour, 80% of which is not organised, 35% of which is unemployed and the 20% of which that is organised which presumably will be the one that will have the least incentive to come and compete with us, even they are half of what we have. That shows the enormity of the challenge that will be facing the labour force in Gibraltar in an open frontier situation. One can understand, and I can tell the House that I have been approached by individuals in recent weeks who themselves have come in this way, and who have come to see me to see if I could help them, and I can understand that a man that is unemployed and sees no prospect of employment and has got two or three children to feed, will come to Gibraltar and be willing to work for what he can get. It does not really require that he should be prepared to accept a drop in his standard of living because the differential in the cost of living appears to be of the same order. When I am telling the House that the Union rate, for example, for a construction worker in La Linea, taking into account that there are some very fundamental differences in the system, for example, we have a 39-hour week, they have a 43-hour week.

Their weekly wage is divided by 7 so that their hourly rate is considerably below ours whereas ours is divided by 5 but taking into account all the differences, they get two months pay theoretically free a year, putting all that into the equation, on average earnings for a 45-hour week the craft rate in La Linea is in the region of £53 and the craft rate in Gibraltar is in the region of £110. In that situation it does not necessarily mean that the standard of living of the construction worker there is half of ours, what it does mean is that, perhaps, the construction worker there enjoys more or less the same standard of living but that the construction worker there earning Gibraltar wages and with his cost of living would probably be enjoying one of the highest standards of living in Europe. It would be as if it were possible, for example, to move from the economy of Gibraltar to the economy of Scandinavia and enjoy Scandinavian wages and Gibraltar cost of living. That is the essence of the attraction. In attempting to protect the position of local workers, and I think it is important to stress that in protecting local workers we are protecting Gibraltarians and Moroccans and Portuguese and Spanish Nationals who are already here as well, because they are here, they are here legally, they are getting Union rates and there is no quarrel with that. In attempting to protect the 10,000 people who are today in employment in Gibraltar, we have got laws and we have got a Trade Union Organisation and therefore what I am saying to the House with my motion is, from my personal experience of this area I know, I have every fear that our laws and our Trade Union Organisation will not be sufficient unless we are able to enforce the laws from a Government point of view. If the Union is concerned that labour is being used illegally and being paid very low rates of pay and that is a matter that must concern the good employer as much as it concerns the Trade Union because then the good employer would be forced to do the same thing to survive otherwise he will not be able to compete with the other one. Unless we provide the Department of Labour with the necessary machinery to handle that situation, it is going to be in my estimation total chaos. Even after providing them with the necessary machinery they are going to have an extremely difficult task on their hands. It is difficult enough today with a closed frontier to chase people and track them down and find out how they got in and whether they are legally there and why they are not paying their tax and why they are not covered by insurance even today. In a situation where people can come in the morning and go home at night it is an extremely difficult task, with two Labour Inspectors it is an impossible task and, therefore, Mr Speaker, I would really urge the House to support this motion because I think it is the very minimum that we can do in an attempt to put some sort of machinery in the hands of the Labour Department to try and afford some protection for the sort of standard of living and the conditions of work that we have developed and achieved in Gibraltar after the closure of the frontier. The last thing we want is that the frontier opening should lead to the loss of everything that we have achieved after it closed.

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

HON MAJOR F J DELLIPIANI:

Sir, for some time now there has been some concern about the staffing position of the Department as a whole and approval was recently given for a staff inspection to be carried out. This is, in fact, now in progress. The inspectorate side of the Department is therefore one of the areas being examined to see to what extent it requires strengthening having regard to an ever-increasing volume of work and the additional load which an open frontier situation will bring about. Whilst it is possible, therefore, that there could be some illegal employment, the Department of Labour and Social Security with the existing staff is doing its best to cope with the enforcement of the Control of Employment Ordinance. Causes of possible breaches of the Ordinance are immediately followed up. I am glad to say that Government has already agreed on increasing 20-fold the penalties for offences under the Ordinance and that in fact the draft Council of Ministers Paper is in the Secretariat for consideration by Council of Ministers. Of course, I support the motion.

HON MAJOR R J PELIZA:

Mr Speaker, I think it is a very timely motion because there is much more, I think, in what my Hon Friend Mr Bossano has said than really meets the eye. This is, in fact, if I may say so the tip of the iceberg, and I will explain why. I think it is obviously number one priority to protect the situation in Gibraltar as it is today. How in the long run we are going to sustain the situation is a matter which I think the Government must give very, very careful thought because whilst at the moment we might be able to use legalistic protection, in the long run it is economics that is going to talk and economics that are going to make things shift whether we like it or not. The reason why I say this is because whilst it is absolutely correct that we should protect our labour force in Gibraltar, whether they are Gibraltarians or from abroad, those who are here working today, and whilst we must make sure that we do not reverse to the situation prior to the closure of the frontier which I remember, I being the Chief Minister of the day, took over at the time when we were in a way given the opportunity of putting our house in order and making labour an honourable thing in Gibraltar not something to be despised as it was in those days, precisely because the real value of labour was not appreciated in our market, we want to try and sustain that position. The reason why I say that I welcome what the Hon Mr Bossano has said and I am also glad to see that the Government is going to take the necessary measures to do what is possible in that respect, there is something that goes beyond the legal aspect of the problem, which is the understanding that must come about between labour and management in Gibraltar. That is going to be vital for our survival.

Never before must there be better understanding between the two main factors of our economy, the two main pillars of our economy. On one side labour, on the other side management and capital. Whether we like it or not this is the society in which we live and forget now about the ideology let us look at the practical aspect of this and unless we can remain competitive in this town in respect of our neighbours, whether we like it or not if local businesses do not make the necessary money to be able to pay the necessary wages to the workers because the attraction is for Gibraltarians to go across the border and buy there and not buy here, very soon our level, whether we like it or not, will have to come down to what my friend has described as being half of the income of Gibraltar. Obviously, one has to accept those figures, I do not know what the figures are, but if that is the true figure then we are really facing a very, very serious problem because water whether we like it or not will very much try to find its level, the lowest level, and if the lowest level is on the other side it is going to be extremely difficult to contain it whether we like it or not. This is why I say I welcome very much the point the Hon Mr Bossano has made and I welcome very much the position that the Government is taking. One has to appeal to the practical things that are going to make this possible, not the legal aspect but the down to earth matters that are going to decide this. Will it be possible by good understanding between employer and employee to pull together, to produce the necessary productivity, to give labour the necessary incentive that will be required to make ourselves competitive with those who are going to compete with us. This is perhaps a good opportunity to bring this to the foreground and for the Government who after all is the one that has to give the leadership, to try and see what they can do in that respect to bring labour and capital together in Gibraltar to see how we can go forward together in face of the competition that surely is going to come particularly when we know that it is not going to be competition in good faith but competition in bad faith which is even more dangerous to Gibraltar and this is why I say that has got to be done. Nothing could be worse, as I think my Hon Friend pointed out, that some employers should start now engaging cheap labour because very quickly the good employer will not be able to hold his position in the market and will be forced to try and follow the lead of the bad employer. The first gap has got to be closed before it becomes really undermining the position of the good employers in Gibraltar. I hope that the Government will take serious immediate action and not allow one single case to remain unattended to if they are already in existence and prevent any possibility or any others taking place. Apart from that, as I have said before, it is much more complex than that and it is very important in my view that the Government should give the lead in this, should try and get the two sides of our economy together and see how we can really build a strong economic position in Gibraltar to face the competition that we are sure to meet in the very, very near future.

HON W T SCOTT;

Mr Speaker, just a short intervention. First of all, I was rather surprised that the Hon Minister for Labour and Social Security very quickly after having said the department and certainly the labour inspectorate within that department were shortly going to be staff inspected, he readily agreed with the motion by saying that the number of labour inspectors should be increased. I think this is an unusual measure to take in the House but can we examine the situation that perhaps lead certain companies to entertain employing immigrant labour? As I understand it in my little experience in the construction industry and I am only talking about the construction industry alone, perhaps it is through circumstances where there is a requirement by Government, and rightly so, not to issue new permits in different trades with the rapidity that construction companies might want and at the same time with a rising number of unemployed people particularly in the construction industry. I think what was suggested here about employing labour certainly in the construction industry as far as I know, employing labour at a lower rate of cheap labour, I do not think this is really the case, Mr Speaker, not as far as I am aware anyway. I think the problem here as it has been put to me is that the permits necessary have not been forthcoming. What I would ask the Hon Minister to do is that whilst still protecting those unemployed people who have had a record of employment in Gibraltar, not to lose sight of particularly the development programme and I notice that he has just done precisely that, by issuing 20 new permits for the month of January just for the No 5 Jetty generating station because, presumably, the 18 carpenters and 2 shutterers required were not among the list of unemployed people so I would ask him to do that, to exercise that flexibility.

HON CHIEF MINISTER:

My colleague last night, I was not here but my colleague last night drew attention to the fact that here, as Parliament, we look at the matters as they are. There is nothing inconsistent in the Minister having said that he agrees with the motion and saying that the matter is the subject of staff inspection because the Government has got the responsibility to administer and it could well be that staff inspection may consider that the numbers that are to be increased are not enough or more than is in the mind of the mover but the sentiment that is expressed here is one which the Minister as a Member of this House, is entitled to agree to if he thinks that that is the case and perhaps that will be the case he will make to the staff inspector. There is nothing inconsistent with that at all. In fact, here we look at these matters, if it is not a matter of legislation and on legislation he has said that there is already a Bill on the way, that is a matter on which we are committed to bring the legislation to this House. With regard to sentiments expressed and concern expressed he is perfectly entitled to express the fact that he is concerned about the matter but how the staff inspection is dealt with is another matter.

HON P J ISOLA:

Mr Speaker, could I ask, is there somebody in the Government who can give some information as to what is the nature or the size of the problem of immigrant labour being employed illegally at the moment that would justify employing more Labour Inspectors because the motion talks of reports that immigrant labour is being employed illegally? Does the Government have any idea of the size of the problem not to give us guidance as to whether to support the motion or not because we will support the motion and I think I can adopt fully everything that my Hon and Gallant Friend Major Peliza has said on the problem as he sees it evolving. I think he is right in his assessment of the problem and right that we should ensure that we have the staff required to ensure that we do not have a black economy or a black market, as it were, in labour which would be very dangerous, I think, for the living standards of the people of Gibraltar and could be very dangerous, as my Hon and Gallant Friend has said, to the position of good employers who follow good working practice. Nevertheless despite that, I would like to know the nature of the problem that exists today, the sort of immigrant labour that is involved, where do they come from and things like that, because if that is happening, if it is a big problem today with the frontier closed, I can imagine the problem being much greater with the frontier opening and certainly the date of the opening is coming up very close and this is something that perhaps should be given quite high priority and the staff inspection, I do not know how long that takes, but certainly it is something that should be put in hand before the frontier opens so that the department is able to meet the situation because if they are not able to meet it today with the frontier closed I shudder to think what will happen with the frontier open.

MR SPEAKER:

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

HON J BOSSANO:

Mr Speaker, in moving the motion in fact I make no reference to the second part that calls for the increase in fines. I am glad to hear that the Government is already doing something about that. The obvious reason for that is, of course, that if the incentive to employ unauthorised labour is the amount of money that one can save by not paying standard wages and so on then, obviously, the disincentive must be commensurate with that otherwise if there is a fine of a fiver and you can save £50 a week, well, you can afford to pay a fine every day and still make £15 at the end of the week. I would like to try and give some answers to the points raised by the Hon and Learned Leader of the Opposition and I would agree with him that there is a need to take action and I would urge the

Government to take the step of employing labour inspectors who are, in fact, I believe clerical grades, perhaps in consultation with the Head of the Department and the Union concerned, subject to eventual staff inspection. I do not really see how a staff inspector can staff inspect with a closed frontier what is likely to happen with an open frontier. In other areas where there is going to be an anticipated workload, the staff inspection is going to take place afterwards not before. I really think we need to move on this quickly and we need to move on it from Day 1.

HON A J CANEPA:

If the Hon Member will give way. He said they were clerical grades, well, it is not quite as straightforward as that, in fact, a Labour Inspector is an Executive Officer so whilst you can take on Clerical Assistants on a temporary basis, these days a Clerical Officer is seen as a promotion. In the case of a Labour Inspector who is an Executive Officer that is definitely a promotion and therefore it is not that straightforward to have somebody on a temporary basis.

HON J BOSSANO:

I would not agree with the Hon Member. I think quite the opposite is true because in the case of the Customs Officers the number of EO's that are going to be employed on frontier duties are on temporary promotion and therefore one would not expect the department to recruit Labour Inspectors from outside the service but to recruit them from within the service, it could be of temporary promotion, subject to staff inspection, and if the staff inspection shows that these people are in fact walking about with nothing to do then they revert to their original grade. If they are confirmed in their post then you either promote from Clerical Assistant to Clerical Officer to fill the vacancies they left behind or you recruit Clerical Officers from outside the service. The argument put by the Hon Member, with all due respect to him, in fact, strengthens the possibility of doing this rather than diminishes it and in fact it is compatible with what the Government proposes to do as regards the Customs. I think it is important to provide the necessary machinery from Day 1 because I think this is the sort of problem that preventive action is the best cure. I think it will be extremely difficult to eradicate and we do not want to find ourselves in a situation where this is turned into a political issue and we are accused of discrimination and so on. We want to show that there are laws in Gibraltar, that the machinery for enforcing those laws existed before the 20th of April and that all that is happening on the 20th of April is the normal procedure that would have happened anyway. I think that is important at a political level to show that this is the case.

HON MAJOR F J DELLIPIANI:

If the Hon Member will give way. It is precisely because I want to do the thing before that I have already agreed for a draft for the penalty to be increased so that I am not accused of saying that I have increased the penalty after the border is opened.

HON J BOSSANO:

I appreciate that and I am very grateful that the Hon Member has taken the initiative and is moving so quickly. All I am saying is that the same applies in respect of the need to have the manpower in his Department and I realise that when it comes to questions of employing people the Minister is not in the same position as when it comes to a question of bringing legislation to increase fines because it has to go through the establishment and the whole machinery of the civil service but this is a very important issue and I would ask him that as he has already said he recognises it politically that he should then make sure that it is appreciated on the executive side of the Government. It does not require a departure from existing practice, it is not abnormal to staff inspect or to agree, and I am sure that the Government would be able to reach agreement on such a basis with the Union concerned subject to eventual staff inspection because there is already precedent for that sort of thing. Dealing with the point of the Hon Member as to the size of the problem, I can tell him that the reports that I have had and they are only guesstimates, is that we have had at least 60 or 70 workers at any one time without documentation and without tax and without insurance in clearly identified areas and this has been going on for a long time and there are, for example, areas where casual workers are taken in and some places are very well known, in fact, I do not want to mention any names, we found one particular establishment which had been employing people for two years as waiters without permits and without any documentation of any kind which seems quite extraordinary but it shows that it is only when something happens and the department moves in and we moved in as a Union to try and protect those positions that we found in fact that these people were actually unionised and we found that they had been working there for three years without any permit of any kind. We negotiated their wages and everything but of course they were better off than we thought because apparently there were no deductions being made from their wages.

HON CHIEF MINISTER:

You should not make them members until you know that they are properly employed.

HON J BOSSANO:

I can tell the House that I have personal knowledge of increased activity in this area because in fact I have been instrumental in bringing a number of cases to the attention of the department and I can tell the House that the department which acts on it very rapidly can only act with the resources it has today and it does not take much imagination to realise that with two Labour Inspectors for the whole of Gibraltar there are not many cases that can be done in one day. It is a matter which requires a certain amount of research and going in and checking facts because the department cannot just simply move on the basis of a rumour or on the basis of hearsay, it has to get its facts right. They take their job seriously and I can say that my experience is that there has always been complete cooperation because the department feels very strongly that this needs to be controlled the same as the Trade Union Movement feels it needs to be controlled but we are very conscious in the Manpower Planning Committee, for example, that if we are sitting there deciding quotas it is a total farce if there are unlimited opportunities for people to be working outside those quotas. The whole function of manpower planning becomes a dead letter if it were to happen on the 21st of April that 7,000 unemployed were to turn up on our doorstep looking for work and a fair number of them were employed. We could then wave goodbye to all our legislation and all our agreements and all our manpower planning. I think the problem has been in existence for a long time, it has not really been taken perhaps too seriously in the past because the degree to which it was affecting the standards established was minimal and perhaps the resources that were required to ensure there was not one single person illegally unemployed would have cost more than the benefit that could be derived. I think the situation has deteriorated very seriously in recent months and there are fears that it could be considerably worse. I hope that the support of the House for this motion will make the prospects of those fears being realised less likely. I commend the motion to the House.

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

HON P J ISOLA:

Sir, I have the honour to move the motion standing in my name which reads: "That this House considers that Gibraltar should show its deep appreciation to its friends in Parliament for their unstinted support and effort on behalf of the people of Gibraltar throughout the last seventeen years and more particularly in the struggle to achieve full British Nationality for the people of Gibraltar by conferring on the all-Party British Gibraltar Group in Parliament the Honorary Freedom of the City of Gibraltar and this House so resolves".

Sir, I think it is appropriate that approximately one month before the frontier opens that in this House we should sit and reflect on the trials and tribulations of Gibraltar over the last seventeen years. It is easy to forget what has happened, it is easy to forget any detail of those seventeen years, in fact, there are Hon Members in this House who when it all started were fairly young people and can remember, possibly, little about it. We must recall problems that hit us very dramatically in 1963 and in 1964 when the Franco dictatorship and the Franco Government launched its attack on Gibraltar by a series of propaganda exercises mainly involving abuse of the people of Gibraltar and placed severe restrictions on the passage and movement of people and vehicles across the frontier. These restrictions, as they were called by us on this side, and the implementation of the Treaty of Utrecht in full, as it was called by the Spanish Government, brought a dramatic change in the way of life of the people of Gibraltar. At that time, going back to 1964 and 1965, it was a very sudden change of way of life for the people of Gibraltar and I remember very vividly how in Gibraltar, apart from putting forward our determination to stand by our rights and by the rights of the people of Gibraltar, we nevertheless called upon the British Government to take some form of retaliation for the measures that had been taken against Gibraltar by the Spanish Government. Mr Speaker, all that is past history but I think that our ability to resist what was a very, very strong campaign which could have had disastrous consequences for the political and economic stability of Gibraltar, I think it was at that time very important and very rewarding for the people of Gibraltar and kept our morale up at a crucial time, the fact that many ordinary Members of the British Parliament raised their voices in the House of Commons in support of our cause and sought assurance after assurance from the British Government that they would stand by the wishes of the people of Gibraltar. Not that I wish to sound critical of any British Government that was in power in 1964 or since, because they have stood by Gibraltar throughout these years, but I think it was vitally important for the morale and, indeed, for the position of Gibraltar that every British Government in power should know that there was strong all-party support and feeling for the stand that the people of Gibraltar had taken. Mr Speaker, I say it is appropriate because now that struggle, what these people talked about and said and protested about that the people of Gibraltar should be free to choose their own destiny free from pressures of any kind either from the British Government or the Spanish Government or anybody else, is coming to fruition. I look at it very symbolically, this opening of the frontier, the fruits are there now, it has succeeded and it has succeeded in no small way, in fact, I would say fundamentally by the constant support the people of Gibraltar have had from our friends in Parliament, Members of Parliament not representing Gibraltar in any way but representing their own constituencies who admired and stood by the struggle of the people of Gibraltar. Mr Speaker, it has

been a very long time, really, seventeen years is quite a long time in parliamentary life and some of our friends have in fact passed away during that time. Early supporters of Gibraltar, Sir Nigel Fisher, Patrick Wall, Bernard Braine, Julian Amery, on the Conservative side, they were there fighting for the Gibraltar cause; also George Jeger, Norman Dodds from the Labour benches, I think they both passed away. They were there asking questions pressing the Government on the matter and again I think that it was the very strong feeling the British Government felt there was in the British Parliament for the people of Gibraltar that in no small way contributed to the Constitution of 1968 and, more importantly, to the preamble in that Constitution which is now accepted as being a constitutional reality not only by the British Parliament but I think generally and it is even recognised by Spain as being a real stumbling block, let me put it that way, to the re-acquisition of sovereignty of Gibraltar. Mr Speaker, could all this have occurred, I ask, without the support of the British Parliament? I am sure not. I think the courage and the pertinacity of the people of Gibraltar of itself would not have been enough, because we are a small people, unless there was somebody backing us we would have succumbed not necessary willingly but we could well have suffered severe defeat but we did not and we did not, Mr Speaker, because of the unstinted support and effort on behalf of the people of Gibraltar by our many friends in Parliament. There was, of course, a Gibraltar group, I think it was called the Anglo-Gibraltar Group that was formed around 1964 when the problems arose and Members of Parliament joined it to stand by Gibraltar to help to lobby, to fight for us, from all parties and I think that is one of the matters on which we can take pride that the support there has been has been an all-party support in Parliament and that, of course, has stood us in great stead. Of course, we had our periods of crisis which I would say, roughly, extended from 1964 to 1969 or 1970 when we had the formulation of policy, the support and sustain policy coming out and constitutional assurances and the constitutional links and as far as Parliament was concerned the situation more or less stabilised, I would say, as far as Parliament is concerned, during the early 1970's and I think the struggle to a great extent the late 1970's or early 1970's arose from the desire of the people of Gibraltar to be first class British citizens and again I do not have to go over the history of that, we had the position of the English Immigration Act gradually eroding the substantive quality of our citizenship but nevertheless technically we were still, under the law of England, still the same citizens as UK citizens. I think people in Gibraltar were to a certain extent worried because they felt their security depended on their British Nationality as first class British citizens. But even on that, Mr Speaker, we were of course reassured and there was that famous letter I think of 1969 from the Prime Minister or Foreign Secretary, I think it was Sir Douglas Home, to political leaders in Gibraltar about assurances following the Thomson memorandum of 1968, I think it was, assurances that Gibraltarians would be able to go and work in England and stay in England and live in

England. But nevertheless throughout the 1970's the feeling came up, the question of being first class British citizens, the non-application in law to Gibraltar of the Immigration Act reached a crescendo to a certain extent in 1976 when there were constitutional discussions between Gibraltar elected leaders and the British Government again on the question of the economic link and British nationality and the alteration of the Constitution with regard to the possible introduction of the committee system and in 1976 we met with failure, really, but with all the assurances still there. It was when the British Nationality Bill was published and when for the first time the whole pattern of British Nationality law was to be revised that in Gibraltar we became aware and we decided to struggle on an all-party basis to obtain full British Nationality for the people of Gibraltar and that, Mr. Speaker, really, had been a struggle that had been on and off, it had been going on and off for some ten years. We turned to our friends in Parliament, the British-Gibraltar Group, a group which was reformed, I suppose one could call it, as a British-Gibraltar Group in Parliament under the Chairmanship of Albert McQuarrie and with new people, new blood like Michael Latham and others and that was formed to support the struggle of the people of Gibraltar to obtain full British Nationality. We had reached the crunch of affairs in the same way as in 1964/65 we reached the crunch, we reached the crisis, the question of whether the people of Gibraltar were to be allowed to decide their own future or whether they were to be overridden by political expediency, Resolutions of the United Nations or, literally, power politics. At that time that was the crisis and that crisis was resolved. I suppose if one can point to any particular event where that crisis was resolved, I would say it was in the constitutional conference and in the preamble of our Constitution and then the next crisis in our affairs came really with the issue of British Nationality and we have had another one since, Mr. Speaker, and I am sure we will have many more. But the important thing is that the next big crisis which was the British Nationality Bill which chose to differentiate between British citizens all over the world, when that came along we had the British-Gibraltar Group rallying behind us and working for the people of Gibraltar once more. Unstinted support, selfless devotion, really, to the cause of our people. And thanks again, very largely to their effort, thanks very largely, I suppose, to the Conservative Members of Parliament, who were able to turn to their Government or to their Party and say: "We cannot go along with you on this if you try and move it", thanks to the wholehearted support of the Labour Party and thanks, of course, to all different Members from all parties in the House of Lords who showed great sympathy for the position of the people of Gibraltar, we achieved what we had struggled for for a good number of years, we achieved full British citizenship for the people of Gibraltar. Mr. Speaker, close on that comes the implementation of the Lisbon Agreement and the announcement that the frontier is to open on April the 20th. I think, Mr. Speaker, that there is very little we in Gibraltar can do, really, to show our appreciation for our friends in Parliament. There is very little we can do in practical terms. There is something we can do which I think is

the most that we can do, which shows that we will hold, whatever may happen in the future, we will hold those people who have helped us over the years in the highest esteem by conferring on the British-Gibraltar Group in Parliament, conferring, almost one could say, on the British Parliament, the Freedom of our City as the mark of our respect for the British Parliament and particularly, of course, to the British-Gibraltar Group in that Parliament for the way they have sustained and supported the efforts of Gibraltar to live their own life according to their wishes. Mr. Speaker, I said that we will have other problems and we now have the Dockyard closure problem and we do not know what will be the result of that and that will go on, I presume, and we hope there will be a resolution of that and I am quite sure that Gibraltar will have more problems in the future. Unfortunately, because of our position in history, because of our position in the Mediterranean and because of a lot of other matters, we have always lived in crisis in Gibraltar, sometimes less sometimes more, we have always had problems, Gibraltar has always had problems throughout its history and I wish these problems would come to an end, obviously, and one would be happy if one could see an end to them but one cannot and there will continue to be problems. But I think there must come a time in our history where we recognise that it is the end of an era, an era that started looking very black, looking very grim for the people of Gibraltar and an era which we have got through mainly through the efforts of those who have helped us in Parliament. It is a new era, some people may not look forward to it, but, let us face it, the opening of the border is a reversal of a particular policy and the acquisition of British Nationality for the people of Gibraltar is a very big acquisition, helpful for the security of our people now and in the future. I think it is appropriate that now we should show our appreciation to our friends in Parliament by conferring the biggest honour that we can give I believe in Gibraltar, by conferring on them the Honorary Freedom of the City of Gibraltar. With that I am sure that they can have no doubt about the deep appreciation that the people of Gibraltar have for the efforts they have made on our behalf during these seventeen years and I think it is appropriate that we should confer this great honour on them at this point in our history. Accordingly, Mr. Speaker, I commend the motion to the House.

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

HON CHIEF MINISTER:

Mr. Speaker, I think that the Hon Mover has given a lucid and reasonably short, in 25 minutes, account of the events that have befallen on Gibraltar and the great help we have received from Parliament with which I entirely concur. It is that continuing help that we have had over the years that has been able to make us fight better the fights that were ahead through

our difficulties. There is very little that I would like to add because it is a reasonably wide summary of the events that have taken place across the years. It is very difficult to mention names but certainly one outstanding member who was virtually devoted to the Gibraltar issue from day to day and not only when there was trouble was George Jeger and we did pay tribute to him, we invited him to Gibraltar and gave him a formal civic reception and we have shown our gratitude in our own way to other Members of Parliament. I regret to say that the Mover has been less than candid with this House in the way he has presented this motion. Less than candid because he has not revealed the fact that there had been consultations about this and that some Members of Parliament, certainly, one very experienced Member and subsequently I have been able to find, felt that to grant the Freedom of the City to the British-Gibraltar Group at this stage when we would be calling upon them for assistance in the very difficult problems that arise out of the Dockyard, would probably embarrass them in their situation. Normally, the highest honour that Gibraltar can give is the subject of consensus and discussion between parties. The first Freedom of the City was given, of course, by the City Council to the late Gustavo Bacarissas but the first collective Freedom of the City was given to the Royal Engineers and it was then moved by the Hon and Gallant Major Peliza, who was then Chief Minister, following on consultations because it is of the utmost importance that these matters should be on a consensus basis and not the subject of introducing a political controversy because it would do more harm than good. We did discuss this matter, the Mover and myself, and we did discuss it with the last Members of Parliament who were here two of whom felt that there was nothing wrong in proceeding with the motion but one, the more experienced one and perhaps the wiser one, felt that delighted as they all would be and in fact delighted as they will all be when the time comes, he felt very strongly that this was perhaps not the time. Having been done immediately after the granting of British Nationality it would have looked as if it was directed to that but having regard to the fact that they were here precisely to deal with another problem and a very serious problem, as serious as the British Nationality in many ways, because the British Nationality was something which we wanted but we had guarantee and so on but we still have not got the way ahead clearly in respect of what is going to happen to the Dockyard and we still need every help we can get in the United Kingdom. For people in the United Kingdom who can be of great help to us to feel embarrassed at the fact that the conferment of the Freedom comes at this time because it might then be said that they were urging that the sincerity of their help and so on may well have been conditioned by honours received abroad and so on, puts the matter in a completely different light. I regret that this has happened and I regret that the Hon Member has given notice of this motion without having the courtesy of telling me except a telephone message on the way to England from the Airport, to the Administrative Secretary to tell me that he had given notice. On every occasion which I have had to make such a proposal, in the case

of the Royal Artillery, in the case of The Gibraltar Regiment, in the case of the Christian Brothers, this has been a matter of consensus, it has been a matter of consulting with the Leader of the Opposition and Mr Bossano, he can bear me out, so that this greatest honour that Gibraltar can give can come here and get the full support. But the Hon Member has decided to do otherwise and I very much regret it, I regret it because we are all going to be losers because those who feel that we ought to grant it now will be unhappy and those who feel we ought to grant it later will be unhappy that other people are unhappy because they are well inclined towards us and that is why, regrettably, we cannot support the motion and we cannot support the motion because of the way it has been dealt with. But that does not mean (a) that we do not agree that this is the honour that we should give to the Gibraltar Group when the time comes and (b) because we think they deserve it. I did say in the City Hall, after the controversy, in a public speech, that Gibraltar would not be found wanting in showing its gratitude to the Members of the British-Gibraltar Group at an appropriate time. Unfortunately, that was not enough for the Hon Member and he thought, perhaps, he could either get his view aired in the way he has done today and then blame us for not agreeing to be able to curry favour with Members, or perhaps think that we would not dare oppose it because he had proposed it and it was a matter of such importance. Well, I think, in both cases he has been greatly mistaken because we are not going to vote in the way in which the motion is phrased and I am proposing an amendment which will read after the word "Gibraltar" in the seventh line, that is to say: "That this House considers that Gibraltar should show its deep appreciation to its friends in Parliament for their unstinted support and effort on behalf of the people of Gibraltar throughout the last seventeen years and more particularly in the struggle to achieve full British Nationality for the people of Gibraltar", and after that deleting all the words and substituting the following words: "and resolves that the Honorary Freedom of the City of Gibraltar should be conferred on the all-Party British-Gibraltar Group in Parliament at a time considered, after consultation with officers and Members of the Group, to be the most opportune". I think the Hon Member might think again before he tries to push his way through with his minority in this House on a matter of such importance and act entirely as if he were to be the boss. The other thing, of course, it is nothing wrong for the Leader of the Opposition to move a motion but traditionally as a result of consensus it has been done by the Leader of the House. Of course, anybody can move a motion but a tradition was started with Major Peliza and he has chosen to forget all the precedents that have occurred in this case and as I say, regrettably, and I say regrettably because we are now to be in a struggle together in a difficulty, we will be leaving on the 28th of March and then we will have the struggle in the Sintra Talks and it is a great pity that the Hon Member has not had the decency to tell me, despite the controversy that there was and the fact that one of the Members who felt so strongly about the Freedom of the City not being conferred on them now, argued it out with him and he knew that I knew that he

had argued it out with him, and he has thought fit to do otherwise, I regret that very much. I do not hold it against him in any way insofar as future work for the good of Gibraltar is concerned but insofar as this motion is concerned I would be hypocritical if I did not say that it has been a source of very great disappointment at the manner in which the Hon and Learned Leader of the Opposition has behaved in this matter.

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

HON P J ISOLA:

Mr Speaker, I think that the onslaught that the Hon and Learned Chief Minister has thought fit to unleash on me is hardly justified if we examine the facts. It was on the initiative of my Party that I approached the Hon and Learned Chief Minister with the proposal for this motion. The proposal for it when it was made was considered and accepted at that time, subject to consultations. A delegation of three Members of Parliament came to Gibraltar which included the Chairman of the all-Party British-Gibraltar Group in Parliament and who was all in favour, let me put it that way, pity we have to say these things, and he is the Chairman of the British-Gibraltar Group and the Liberal Member of Parliament was also all in favour and they were upset that perhaps an older MP who is not an officer of the British-Gibraltar Group, should have advised that way. They thought it absurd that anybody in Parliament would consider a motion such as this to be a bribe. They thought it quite absurd and I think it quite absurd too. I do not think the Hon and Learned Chief Minister is so convinced either because he is already resolving that it be given at a time when it is thought opportune by the Officers of the British-Gibraltar Group in Parliament who already think that it is opportune but, anyway, at a time when they think it opportune. So the main thrust of the bribe allegation, as it were, is not accepted by the Chief Minister because he is accepting the principle of it now. Mr Speaker, the question of consultation. My Party feels very strongly on this and in fact we are a democratic Party and decisions were taken to which I am bound and which I am bound to say I agreed with and therefore I put the motion down because we felt that the matter had to come up now and now was the time and now is the time and that is why we put the motion. The question of decency, Mr Speaker, in non-consultation. I think the allegation is not proper and it is not proper with the Chief Minister who has shown a similar lack of decency in another matter which is not public and which I will not make public and which concerns Gibraltar just as much as this does. I am surprised that if he is not consulted he gets upset but if somebody else is not consulted he has got no right to get upset he just has to stomach it. But I won't say the subject, there is no reason, it is not relevant, but when you are talking of decency it is two-way and one has to remember that. Mr Speaker,

I agree with the principle that motions for the Honorary Freedom of the City of Gibraltar should, as far as possible, be done by consultation, I agree with it fully. But on the other hand I also have to consider how people feel in Gibraltar, I also have to consider how the people of Gibraltar want reaction to be, how fully in favour the people of Gibraltar are for a motion of this nature. I have a responsibility there which I either discharge or I go and it is a matter of great regret for me that the Government and the Chief Minister in particular have not been big enough to accept that and not been big enough to reject it but have moved an amendment that accepts the principle straight away now but that the date should be decided by the Chief Minister at an opportune moment. Well, Mr Speaker, I do not know when that opportune moment is going to be. The opportune moment, he spoke of, immediately after the British Nationality Act, it might have been an opportune moment. After the British Nationality Act we did a motion in the House expressing appreciation and this is, I think, the meeting after it. What is the opportune moment, then? What? When the problems of the Dockyard have been resolved? And when will they be resolved? No one knows here, no one can be certain that whatever generous aid we get from the British Government on the question of the Dockyard and the re-orientation of our economy, no one can be certain that it will work or it will go well. What do we do, wait for that period of time to elapse? Surely, now is the moment in history, Mr Speaker, now is the moment to express appreciation and I greatly regret that it is not to be now and it cannot be now because of Government majority. I had discussed with my colleagues the possibility of Government opposition to the motion and I should tell the Chief Minister that it was not my intention to divide the House on it. We have some sympathy for the Government side for their situation and if the Government had told us they were going to oppose it, it was my intention then to withdraw the motion with the leave of the House so as not to divide it but I felt it had to be discussed and I felt it had to be put forward and I hoped that notice having been given as it was on the 11th of March, seven days ago, I would have hoped that the Government would have felt able to echo what I believe to be the feeling of the great majority of the people of Gibraltar and support the motion and not go in for a compromise that accepts it but we will not give it to you yet. Let me tell you, Mr Speaker, that we will accept the amendment and vote for it because I said we do not intend to divide the House but we are putting forward our view of the matter and how it should be dealt with. We will accept the amendment proposed by the Chief Minister but I am sorry the Government have not been able to go along with the motion and I think a good deal of people in Gibraltar will also be sorry. But there it is, the Government have a majority and they decide and as I said we do not propose to divide the House and, accordingly, we will vote in favour of the amendment put forward by the Chief Minister.

HON J BOSSANO:

Mr Speaker, I happen to disagree with most of what the Hon and Learned Member has said in support of the original motion and with some of what the Hon and Learned Chief Minister has said in saying why he would not support it. I will, in fact, confirm what he said that in the other motions that have been brought to the House I was consulted before the motion was brought. On this one I have not been consulted and on this one my Party has not taken a policy decision and I am not in a position to support it but I have certainly got misgivings about the original idea and I am afraid because of those misgivings I am not in a position to support the amendment that accepts the principle of conferring the Freedom of the City because I think as the Hon and Learned Member rightly pointed out the difference between the two is a question of the appropriateness of the timing and I have got reservations that go beyond timing. I will deal first, perhaps, with the timing because the timing is the substance of the amendment. It seems to me that almost everybody in Gibraltar would agree that we have got friends in Parliament, that they have given us unstinted support and that we are deeply appreciative of them. But, perhaps, what everybody in Gibraltar does not know is that not all those friends are in the British-Gibraltar Group and that not everybody who is in the British-Gibraltar Group is a friend, perhaps that is not known. Not everybody in the British-Gibraltar Group supported the Nationality Bill in Gibraltar's favour. The unstinted support came from the people who supported us in Parliament, the organisation that existed supporting us to the extent that any organisation existed at all was, in Parliament, the all-Party Gibraltar Group but in fact the British Labour Party which includes people like Frank Hooley, gave us unstinted support on the Nationality Bill and I am not sure how many people in Gibraltar would want to confer the Freedom of the City of Gibraltar on Mr Frank Hooley, I am not certain about that. One of my reservations, for example, is on the question of the all-Party Gibraltar Group. Who is it that we are giving the Freedom of the City to, the people who are in it today, the people who will join it tomorrow, the people who when I went with the Hon Member to the House of Commons, one particular person that I have in mind whom I am sure he will remember and the Hon Chief Minister will remember, who said there that we should not be given United Kingdom Citizenship because that would upset Spain and that would spoil relations between Spain and Gibraltar? I do not want that person to have the Freedom of the City of Gibraltar, Mr Speaker. Frankly, I do not and I am not sure many people in Gibraltar would want if they knew it and this is something that I would have told the Hon Member if I had been consulted on it. This is why I cannot support the amendment that simply argues the timing. I take the point the Hon and Learned Chief Minister has made about consultations, certainly. Apart from taking a policy decision in my own Party in this matter, I would probably have wanted to consult Members in the British Labour Party because they are the ones that we have got close contact with to see how they felt about it. As regards

the need for the timing now because we have now got a reversal of the frontier and because we have had a situation over the last seventeen years of a tremendous siege of Gibraltar which is now ending through the support of Parliament, that re-writing of history, as the justification for voting now I cannot accept, Mr Speaker, because I do not think that is the truth. I think we have had a situation where for the last seventeen years every British Government has been telling the Spaniards that they would never get Gibraltar and that they would never get the Gibraltarians by putting pressure on us because we are the sort of people who respond to pressure by saying no, that the way that we could be got at was for the Gibraltarians to be wooed and I remember, throughout the whole saga, successive British Governments advising the Spanish Government to change tactics and to woo the Gibraltarians. I do not think there has been a fundamental reversal on the frontier, I think there has been a belated recognition that the way they were going about it their chances of overcoming the resistance of the Gibraltarians were nil and that they could keep their frontier closed for another 200 years and there would still be nil at the end of it. I cannot accept that the reversal of the frontier and the opening of the frontier is a great victory for the people of Gibraltar assisted by Parliament because then I should be welcoming the Lisbon Agreement which I do not. Spain has agreed to implement the Lisbon Agreement on the 20th of April and I am against the Lisbon Agreement and I will certainly not celebrate the implementation of the Lisbon Agreement by granting the Freedom of the City of Gibraltar on a group which is undefined but which includes one specific person who actually argued against us getting the British Nationality amendment through and who actually voted against it. If the timing is to celebrate the victory of the implementation of the Lisbon Agreement, the timing is wrong because the Lisbon Agreement is a disaster for the people of Gibraltar. If that is not the reason for the timing then what did the Hon Member mean that after this long struggle, only because of the help of Parliament are we going to see the reversal on the frontier, he said. If I misunderstood him then I will give way and be corrected because that is how I understood it.

HON P J ISOLA:

The Hon Member has misunderstood me quite clearly. If he had listened to my speech carefully he would have seen that what I said about the frontier was that they have now done what they had been refusing to do for seventeen years and that of itself, even though the Hon Member does not like the Lisbon Agreement and we know his wellknown views on it, that same Spanish Government had to accept in the Lisbon Agreement, in the statement, the British Government statement that there could be no change in the status of Gibraltar against the freely expressed wishes of the people of Gibraltar. I am not going to argue about the Lisbon Agreement but I think the point I was making was the end of an era of restrictions and

of attempts to get us by force. We have been resisting that and that, in that respect, can be regarded as a victory, not the sort of victory the Hon Member might like but as a victory. As far as the British-Gibraltar Group is concerned I think he misses the point entirely. The reason that I was suggesting we honour the British-Gibraltar Group is because that is a Group that in majority has been formed to support Gibraltar. That is why I said it and if we have one black sheep there, well, it cannot be helped, I cannot exclude him specifically. I am honouring Parliament, that is the idea, and the identifiable group is the British-Gibraltar Group and I think my Hon Friend should possibly take a broader look at the situation then he is doing and not just opposing for opposition sake.

HON J BOSSANO:

Mr Speaker, I am trying to give substantial reasons why I am opposing, it is not opposing for opposition sake because I am opposing both and, in fact, until I stood up the Hon and Learned Member seems to have forgotten I am in this House at all. Well, perhaps, I am not here often enough, I do not run a practice I run a very important Union in Gibraltar, Mr Speaker, which makes a lot of demands on my time and I certainly do not see this enormous euphoria that the Hon Member is getting from the public but perhaps my voters are not his voters. I am not getting the same message from my people, certainly, I do not agree anyway with his analysis of the situation. I do not accept that the opening of the frontier is something that Spain is doing for nothing. My analysis is that the British Government gave away a lot in the Lisbon Agreement and may have given away even more in the meeting between Calvo Sotelo and Thatcher and I do not mind saying so publicly or in this House. I believe myself that something has already been hatched out between the two of them and there is no cause for celebration in that. Now on the question of the Nationality, I am glad to say that the motion says, and I think I will just speak once

MR SPEAKER:

Are you going to be long? I say this because I have to recess the House just before 7.30 pm.

HON J BOSSANO:

No, Mr Speaker, about ten minutes, unless I get carried away. On the question of the nationality I think, without a doubt, there was enormous support in the struggle of the people of Gibraltar to achieve full British nationality. I do not think they have achieved it. I do not accept that they have achieved it and I think it is wrong that people should be told that they have achieved it. The proposal that Gibraltar should be moved from the area of dependent territory to the area where Jersey

and the Isle of Man are, was in fact the proposal canvassed by all of us for which we collected 8,000 signatures and which was lost and that would have given us full British citizenship like we have today under the British Nationality Act, 1948, which says you are a citizen of the United Kingdom and Colonies, not a citizen of the Dependent Territory of Gibraltar with the right of registration, which is what we have and is not what we wanted but what we had to settle for. So the struggle for full British citizenship we lost and what we have obtained is better than nothing, what we were advised by our friends was the most we could get and if my memory does not fail me we lost it marginally by the casting vote of the Chairman of the Committee, but we lost it. What we have got today we know puts us in an extremely serious situation because we are concerned about our position in the Common Market, we see the danger that there is in the future membership of our neighbour in the Common Market and the rights we today grant other Common Market nations when we are dealing with a next door neighbour. We are concerned about our ability to obtain derogations from our obligations and that if we do not obtain derogations we are then faced with a choice of having to pull out from the Common Market and give up the right of registration under the British Nationality Act or keep the right of registration and perhaps not have a Gibraltar in which to register from. Let us not celebrate victories that have not yet been consolidated, Mr Speaker. That does not mean that I am not deeply appreciative of the fight that people have put up because they put up the fight for the original thing that we were trying to get and they fought all the way for us and when they saw that that was lost, and it was in fact, marginally lost, then they came to us and said: "Look, the battle is not entirely lost, we have lost this one but we advise you to go for this in the House of Lords, to canvass for support and at least you will have retained something of what you have already lost". And that is what we got with their support. I think anybody who has had any contact with Parliament knows that we have got many friends there and they are not all in the British-Gibraltar Group, there are many outside as well. I have got no quarrel with the part that expresses a recognition like I have no quarrel with the motion that was brought to the House when we came back after the Nationality Bill but I certainly cannot agree with the analysis nor can I at this stage accept even in principle that the desirable or correct thing to do is to grant the Freedom of the City of Gibraltar on a group which, as the Hon and Learned Member says, will consist of anybody who is prepared to fill up an application and pay £1, any more than I could agree to support that the Freedom of the City of Gibraltar should be given even to all those who voted in favour of the amendment because a lot of the people who voted in favour of the amendment were the people who also made the recommendations in the Foreign Affairs Committee Report. If we are going to consider the granting of the Freedom of the City of Gibraltar as the greatest honour that this House can give, it should be something gone in after a lot of more thought is put into it and I would hope, Mr Speaker, that on future occasions

I am not left entirely out of the picture because I do not think it is good, really, that some of these arguments should have to be put on the floor of the House because then they go back and they misinterpret it and I would not want people

in the United Kingdom to get the wrong impression. The situation in Gibraltar does not worry me because I think the people in Gibraltar on whose votes I eventually depend to come back to this House know me well enough to make up their own minds as to the sort of principles that I stand for but I am worried that it might be misinterpreted in the United Kingdom that not everybody in Gibraltar feels the same way about supporting MP's or anything like that. I would not want it to be seen like that or reported like that back to the United Kingdom. Therefore, I would prefer that we thrashed these things out outside but now the motion is here and if I am going to vote one way or the other I have got to explain why I am doing it and I must say that, certainly I am not in a position of being convinced in my own mind that the best way of honouring those who helped us is to confer this on a collective group which does not include everybody who has helped us, it includes one or two nevertheless who have been against us, and we are leaving out other people who are outside the group who did help us and the group can be joined by anybody that pays £1 and fills an application form. I would have preferred in order not to have to vote against the motion because I do not want to vote against the part that says that we are deeply appreciative of their unstinted support and effort because I am deeply appreciative, I would have preferred that somehow an amendment would have been found.

MR SPEAKER:

In the circumstances, perhaps, it might be an opportunity for you not to finish your contribution tonight, we would recess and in the meantime perhaps there can be some consultation and you can move an amendment.

HON J BOSSANO:

I would prefer not to vote against either the amendment or the motion for the reasons that I have given, I can abstain. The second point I want to make is that if the motion is carried with the support of the other Members and with my abstention, obviously, at some future date when it is considered opportune, the Honorary Freedom of the City will be conferred on the British-Gibraltar Group and I cannot say that when the time comes I will be voting in favour, that has got to be understood. I do not want to face the situation at some future date of again having to vote against. That is the only point I am making.

HON MAJOR R J PELIZA:

Mr Speaker, if the Hon Member will give way. Perhaps he is a little bit confused as to the meaning of the British-Gibraltar Group, the same as to the meaning of the Regiment. If I may explain, it is just like a Regiment, and this is the best comparison. There might be members of the Regiment who hated Gibraltar and yet we gave the Freedom of the City to the Regiment, to what the Regiment represents. When we are talking about the Gibraltar Group it is the same. The Gibraltar Group in the House of Commons have been the group that has given the lead not only on the British Nationality Act but about everything that has happened about Gibraltar in the past and will probably happen in the future and that, if I may say to Mr Bossano, is what he is voting for, not for individuals but for what the British-Gibraltar Group means.

HON J BOSSANO:

I do not accept, Mr Speaker, that this is the same. The Royal Engineers as an organisation, have been here for many years and the people in that organisation, whether they hate it or not, are told what to do. The people in the Gibraltar Group, Mr Speaker, were not given a 3-line whip telling them to vote for Gibraltar in the Nationality Bill because I attended a meeting on the British-Gibraltar Group where one of the members spoke very strongly trying to persuade the others not to support Gibraltar and he is a member of the British-Gibraltar Group and I cannot imagine anybody in the Royal Engineers telling the Commanding Officer: "I do not like Gibraltar and I refuse to dig the road because it is for Gibraltar".

HON P J ISOLA:

May I tell the Hon Member that I do not accept his account of facts nor do I accept his assessment on the British Nationality Bill and, again, of the facts leading to the amendment. He is incorrect, perhaps because he was not closely concerned with it.

HON J BOSSANO:

Perhaps because I was not closely concerned as the Hon Member puts, it I can afford to be more realistic and more honest with what happened. I suppose that if I had put all my eggs in that basket I cannot afford to see the basket crashing but what I am saying, Mr Speaker, is that the crunch that I have said between the EEC and the Nationality Bill, will come and that is a prediction that I am making, and if my assessment of what has gone on in the past is correct or incorrect my prediction of what is going to happen in the future will be tested by the passage of time and we will see whether my prediction is right or wrong when the time comes and the Hon Member will see. I am afraid, Mr Speaker, the atmosphere seems hardly conducive to the possibility of a consensus between now and tomorrow morning but in those circumstances perhaps it might be better if I just abstain.

The House recessed at 7.30 pm.

FRIDAY THE 19TH MARCH, 1982

The House resumed at 10.40 am.

MR SPEAKER:

Gentlemen, I will remind the House that we are still on Private Members' Motions and we are dealing with the amendment moved by the Hon and Learned Chief Minister to the motion moved by the Hon and Learned Leader of the Opposition. As I said yesterday evening, perhaps for the purposes of good order, it might be better if I put the amendment, we vote on it, and then we continue with the general debate. If there are no objections I propose to do that. Does the Chief Minister wish to reply on the amendment?

HON CHIEF MINISTER:

Mr Speaker, I do not want to extend this debate which unfortunately has brought about certain unpleasant features. I, naturally, despite the fact that Mr Bossano was critical of the motion and also the amendment but not to such an extent, I do not of course subscribe to everything he said about the Group, I think he overstated the so-called statement about a member who did not support us. I think the Leader of the Opposition did question that in an interjection. I think, for the record, though there were people who were inclined differently to what we wanted, I do not think that there was anybody to my recollection who said what Mr Bossano alleges was said. It would not have made any difference to the matter in any way but I think for the record it is only fair that that should be mentioned. I entirely agree with him that there are people who are members of the British-Gibraltar Group precisely because they are not our friends, in order to see what our friends are doing. The same as there are many friends of Gibraltar who are not in the British-Gibraltar Group, so that really makes no difference. The amendment, to which he did not agree, stands, as far as we are concerned, we do think as we thought at the time, that at an appropriate time the people who have helped us should be given the Freedom of the City. If we have not been able to go along with the motion it is because we are mindful of the fact that there are a number of members, apart from the oldest member who was here who was mentioned in the opening address by the Leader of the Opposition as being one of the old friends of Gibraltar, he may or may not be mistaken in his appreciation but it is the regard that one has, and if I may say so, Sir, in respect of the reception of honours there can be much more credibility in those who think it is not the right time to receive an honour than those who may be rather in a hurry to do so. For that reason, the advice given in respect of that to me is very weighty and it is weighty because it is meant to be helpful in order not to be embarrassed. There are different views, that

is why we are discussing this matter, in the view of that - and incidentally no other member of the Group except the Chairman was an official of the Group - so the view of the other one is as much a view of a member as the view of Sir Nigel Fisher who was the one who felt very strongly that this was not the time. We have had to have regard to that and that is why without in any way closing the door, and I am glad apart from the present things that may have been said in the course of the debate, I am glad that the Opposition are going to support the amendment because I think in the end, despite the strains and the differences, we all want, particularly those of us here in the House, want the same thing and that is to have the British-Gibraltar Group with us. There is no doubt that as a result of the events some unpleasantness will be caused but if friendships cannot maintain strains of this nature in respect of the Group I am sure that the Group will not be the less helpful - those who feel that it should be done now - because it will be done later. I think that their support for Gibraltar is not based on what they can get from us but that we should give them what we think is deserved. When we should give it, of course, there is a disparity and this is the essence of a free society that the people are entitled to think what they want so long as the thoughts are honest, held for good reasons, and that is why the amendment has been put and I support the amendment.

Mr Speaker then put the question in the terms of the Hon the Chief Minister's amendment and on a vote being taken the following Hon Members voted in favour:

The Hon 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 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 following Hon Members were absent from the Chamber:

The Hon J Bossano
The Hon A J Haynes
The Hon D Hull
The Hon R J Wallace

The amendment was accordingly carried.

MR SPEAKER:

Anyone who wishes to speak on the motion, as amended, is free to do so.

HON A T LODDO:

Mr Speaker, I find it hard to believe, even now, that anybody could ascribe machiavellian motives to the motion to give the Freedom of the City of Gibraltar to the all-Party British-Gibraltar Group. It has been suggested that by offering them the Freedom of the City it might be interpreted as some form of bribe, taking into consideration the fact that the Dockyard problem is still unresolved.

HON CHIEF MINISTER:

If the Hon Member will give way. I will try not to interrupt him but this goes to the root of the matter and unless this is understood then we are still more divided than we should be. It is not that. The only point that was made and it was also made, as the Hon Member probably well knows, to his Leader, that it was felt that it could be embarrassing to members, particularly to members of the Conservative Party, at the time when they would be fighting our cause against the policies of the Conservative Government to feel that this thing was being done at this time and that nothing would delight them more than to receive the Freedom at a more appropriate time. The person who said this is of sufficient high calibre not to consider this as being an attempt to bribe, the point was that it was not timely because they would be somewhat embarrassed in the eyes of those, and let it be remembered that everybody in the House of Commons is not our friend. That is what has got to be remembered, it is that, and no question of bribery. Let it be quite clear that there was no question of that, it is a question of whether something is done at the time when it embarrasses people or whether it is done when it does not embarrass. That was the whole motive and I hope the Hon Member takes the point in that respect and my intervention this morning has attempted to keep the temperature down in order that we all get what we want despite our differences.

HON A T LODDO:

Mr Speaker, I do not see how they could be embarrassed. If there are no ulterior motives I do not know how anybody can be embarrassed. I believe that this motion, really, is to show our deep gratitude to our friends in Parliament, particularly those in the all-Party British-Gibraltar Group for what they have done for us. It is a gratitude coming from a people who have been for a good number of years subjected to a campaign of verbal abuse which is only equalled, I believe, in the

times of Hitler, by a European country in the 20th century which sometimes seems to be thinking in 19th century terms. That, I believe, is what the motion is all about. I was, Mr Speaker, very surprised to hear the Hon Mr Bossano yesterday in his intervention referring to the 8,000 signatures that were collected by all. Surprised because at the time both Mr Bossano and his Party seemed less than keen, if one goes by the number of appearances put in by the members of his Party when we went out to collect those signatures, and I can speak with authority on this as one of the members who was there almost every night and not merely on the night when television cameras were there to record the event. Again his logic and his consistency do not tie up with his intervention in this House after the granting of the British Nationality to the people of Gibraltar where he associated himself fully with the sentiments expressed by the Chief Minister and the Leader of the Opposition and used such words as "momentous" and "auspicious" and said at the time that it was a very glad day for the people of Gibraltar. He has not shown himself to be very consistent and very logical on the matter, perhaps he knows best. Mr Speaker, as far as I am concerned, the motion is on behalf of everybody in Gibraltar because I believe that the electorate of Gibraltar do want it, the number of people who have stopped me in the street and said that these people deserve the Freedom of the City and that is why the motion was brought. If anybody thinks otherwise then I will refer them to the motto that is emblazoned on the shield above the Speaker's Chair "Honi soit que mal y pense". Thank you, Mr Speaker.

HON MAJOR R J PELIZA:

Mr Speaker, I think there are basically two objections to the motion, one from my Hon Friend Mr Bossano, who unfortunately is not here now and I do hope that it is because of some serious matter that he has absented himself from the House today because if it is for any other reason I think it is a great discourtesy to the Members of Parliament in the United Kingdom who have given so much of their time and even risked their position in their own Party to defend Gibraltar. I do sincerely hope that his absence is due to some very important matter because by not being present here, I think if it is deliberate

MR SPEAKER:

I do not think it is fair to ascribe motives. Members' attendance in the House is at their discretion. You may wish to make a comment that he is not here but let us not ascribe motives.

HON MAJOR R J PELIZA:

I am not saying it is but I hope it is not because I have in fact to correct a few points that he made yesterday and I want to preambule what I am going to say to make it clear but I am sorry that he is not here to hear it because I am not talking behind his back, I have no option, Mr Speaker, but to do it. His main objection to start with is that the British-Gibraltar Group may have people whose members never supported the British Nationality or on other important issues of great importance might even today stand against us. - I am very glad to see that the Hon Mr Bossano has now arrived. - Mr Speaker, the mother of Parliaments is the greatest democracy, I would say, the greatest democratic institution in the world and every Committee in the House of Commons and in the House of Lords have got people who differ in opinion, not necessarily because they are anti anything but because in their good judgement they might think that that is not in the interests either of Great Britain or regarding the matter which they themselves are discussing and on which they have to take a decision but the thing that we know about the Gibraltar Group is that basically it is there to defend the wishes of the people of Gibraltar. That is the reason why that Group exists. This Group has evolved over the years, it is not just something that was created overnight for the purpose of the Nationality Bill. We have heard the Chief Minister mention Members of Parliament in the past, a long way back, who obviously gave a lot of their time for Gibraltar and since then there have been many others. There is a long list of names which I think it would be invidious to start mentioning because it is possible to leave some of them out. I have been engaged in lobbying Members of Parliament since 1964 and I can say that on no occasion have I not had a reply to a letter and I have never been refused an interview. That, I think is very laudable of people who are very busy from morning till night and including weekends. That they should spare time for little Gibraltar which will give them no votes and in fact in some instances they may even lose the position within their own Party as happened in this case with Conservatives who voted against the Government, I think that is very laudable. That, Mr Speaker, is the basis of the Gibraltar Group. Amongst those Members of Parliament are those who are members of the group and there are others who come and join the group and help the group. We have John Silkin, Mr Speaker, who was recently here. He said that it was most important that we should all get together under the umbrella of the Gibraltar Group. If we are honouring the Gibraltar Group, Mr Speaker, we are not honouring individuals because that would be invidious, I think it would be very difficult to say that we were going to give the Freedom of the City to a particular Member of Parliament or a number of Members of Parliament, that would be very difficult because there have been many people over the years who have done a lot for Gibraltar and continue to do a lot for Gibraltar and it would be impossible to give it specifically to all of them. I hope the Hon Member

is listening to this because it is very important, because his main objections is that there might be people within the Group, and this is why I am labouring the point, because I think he has got a misconception on this. There are many people in the Gibraltar Group, most of whom I know and I am referring to members, I am not saying people who attend meetings, I doubt whether there is one single member in the Gibraltar Group who is in any way in his view acting contrary to the way in which we in Gibraltar would wish them to act. I know that one attended a meeting once and I know, and this is very interesting, and I know that that particular person was attacked in the House of Commons and he was asked to declare his interest. That is the labour of the Gibraltar Group and this is why I think my Hon Friend Mr Bossano is wrong in what he says - if he is referring to the same member - that there is one member there who does not deserve it. First of all, I do not know whether he is a member and secondly, if he is a member, as far as the other members are concerned, they think that is completely wrong and they even think that he is biased in his thinking. I am sure that Mr Bossano would like to support the group who recognise a member whose views are anti Gibraltarian. The Group itself is condemning that.

HON J BOSSANO:

If the Hon Member will give way. I think he has got his facts wrong. One of the people who attacked the person we are talking about is not a member of the Group. My point, Mr Speaker, is that this is not something we should do lightly. I have been presented with a motion in this House on which I have not consulted my Party and I have not consulted my friends in the Labour Party in the United Kingdom and I have expressed reservations which I said I would have preferred not to have expressed in the floor of the House, I would have preferred to have expressed outside the House and to have given other people the opportunity to persuade me outside but that opportunity has not existed. I can assure the Hon Member that he is not going to persuade me here in ten minutes with his speech, it would require more than that.

HON MAJOR R J PELIZA:

Mr Speaker, I am very glad now. Now I think the situation is beginning to change. And now perhaps one can see some merit in the amendment that the Chief Minister has moved because after consultation with the Labour Party in the United Kingdom I have no doubt that in my view they will support the idea, certainly, I can think of one person, John Silkin, and I am sure John Tilley also, with whom I have spoken. They all praised the work of the Gibraltar Group and supported the idea. I think that from the point of view of the Labour Party I am sure he will get support and I doubt very much if his own Party were not to support the idea as well when he has had

time for consultation because I think the people of Gibraltar as a whole ought to give the Freedom of the City, they want to give some recognition for the work that those men have done for us in Gibraltar because what they have done is very great, it is very, very important for every Gibraltarian, it is our own international status that was at stake and I know that my Hon Friend has made certain distinctions as to what it is now and what could have been if the whole territory had changed out of the schedule. I know the significance. I certainly would have thought that way right to the end, I personally. But, and this is a very important thing, it was not the Members of Parliament as he thinks who changed their minds, it was not the Members of Parliament, I think that is where he is mistaken. The Members of Parliament were all the time acting on advice from Gibraltar and this is why they accepted. They never bulldozed and said "We are going to do it our way". They acted in consultation with the people of Gibraltar.

HON J BOSSANO:

If the Hon Member will give way. I have not used the word bulldoze. I said that they told us, and I remember being told by Mr McQuarrie, that the amendment which was proposed would have a better change of success than the original one once the original one was seen to be getting nowhere. That is what I said and that is what the record will show. I said.

HON MAJOR R J PELIZA:

It was not done that way. Mr McQuarrie acted on the advice from Gibraltar and that is a fact and this is where I think Mr Bossano is wrong.

HON J BOSSANO:

Mr Speaker, the Gibraltar Chronicle of that date will show that Mr McQuarrie gave an interview where he called it the McQuarrie amendment and in fact we had a meeting where I felt very strongly on the issue and it was clear that all he was intending to say at the time was that in his judgement, the second proposal stood a far greater chance of success than the first proposal. That is all I said when I spoke yesterday and that is all I am saying now.

HON P J ISOLA:

If the Hon Member will allow me. With all due respect, that is not what the Hon Member said yesterday. What the Hon Member said yesterday was that the first amendment was defeated and there was never an amendment from Gibraltar, the amendment was defeated and that was out and something else had to be found. That is what the Hon Member said.

HON MAJOR R J PELIZA:

I am not quarrelling with the Hon Mr Bossano. I am just trying to put the facts right because he has made a decision based on the wrong facts. Of course Mr McQuarrie had to put the amendment. No Member of this House can go to the House of Commons and put an amendment. When you read the 'Chronicle', obviously the correspondent cannot go into the niceties of the whole thing. When someone is speaking you cannot go into the details but if Mr Bossano has got time now to consult people and perhaps consult the Chief Minister and the Leader of the Opposition who were obviously at the head of this, if he does he will find, Mr Speaker, that the amendment was suggested from here after, perhaps, consultations with other people as well and this is what I am trying to say. It was not a question of watering down nor is it right to say that the battle was lost on the other one, in fact, the battle was nearly won in that it was tremendous in a Committee to have the original motion defeated by the casting vote of the Chairman. Nothing could be stronger than that and, in fact, later, in the House of Lords, when they wanted to get the Falkland Islands out of the Schedule, it was only defeated by one vote. So, perhaps, if we had been more daring, and I am not trying to say that we did the wrong thing or the right thing, but if we had been more daring and not play safe, we might even have got it out of the Schedule. But, anyway, that is neither here nor there, the fact is that we won a tremendous victory for Gibraltar against the Government, the Conservatives voting in our favour and that is a great victory for Gibraltar, there is no question about it. Never before has this happened and let us hope that if the situation got to a stage where that had to be done again, that we shall win again. But if we are going to ensure that if we have got to do battle in the Commons again, then we must have our friends all lined up to stand squarely with Gibraltar as they have done in the past and Mr Bossano quite rightly has brought out other things like the Lisbon Agreement. The Lisbon Agreement has nothing to do with the Members of Parliament, the Lisbon Agreement has to do with the Government of Great Britain and none of us have gone to say to the Members of Parliament that we do not want the Lisbon Agreement. The Lisbon Agreement has been arrived with the agreement of the Gibraltar Government and you cannot blame the Members of Parliament if they have gone with what the Government of Gibraltar wants. No Member of Parliament will act against the wishes of the Government of Gibraltar, that I can tell you, it is impossible.

HON CHIEF MINISTER:

I think, perhaps, the Hon Member should try and make a slight distinction. It isn't that the Gibraltar Government want it, the Gibraltar Government and the Opposition accepted it, which is very different.

HON MAJOR R J PELIZA:

Fair enough, accepted it. Having accepted I think the Chief Minister will agree that no Member of Parliament is going to go against the acceptance of the Gibraltar Government and the fact of the matter is that the situation was accepted for reasons that they know better than anybody else and some people agree, some people disagree and some people may or may not disagree but they just keep it to themselves and do what they can for the sake of having a united front because we are going to need a united front in this battle that lies ahead. Whether we agree or disagree I think at the moment we must get together and form a strong nucleus and try and overcome the situation that whether we like it or not, is ahead of us. All I say is that in this great battle that lies ahead, and there is no question about it we are going to come across great difficulties, in my view, anyway, we have got to stand together, but not only have we got to stand together we have also got to try and get as much support in the floor of the House of Commons and the House of Lords. I have no doubt that we have got the support and time and again Ministers have said, when giving assurances, that if they were to act in any way contrary to the wishes of Gibraltar, the House of Commons would not allow that to happen. That is the position of strength not only now but right through history. In fact, the Governor wrote some time back saying how in history on one occasion, I think it was Lord Salisbury had to pull out on a deal that they wanted to do with Spain precisely because the House of Commons would not allow that to go through.

MR SPEAKER:

With due respect to the Hon Member. We must not digress from the question before the House.

HON MAJOR R J PELIZA:

Very well, Mr Speaker. The other objection is that of the Government and I think the Government objects mainly (1) because there were no consultations and (2) because they would like to discuss the matter further. I know there have been some discussions already with the British-Gibraltar Group as to when it should take place. I think the Chief Minister who has been in this House for a number of years knows that it is the role of the Opposition to bring things to the foreground when they believe that this should be done and this is, in fact, what the Opposition is doing and has done by introducing this motion. I believe that there was talk before and perhaps the Government thought that this was not the right time because in consultations there were people within the British-Gibraltar Group who thought that it was not the right time. As far as we are concerned I know that the Chairman of the British-Gibraltar Group considers that this is the right time. If the Chairman of the Group considers it to be the right time now, I feel that he must have some knowledge as to what our colleagues feel about

it. One individual in the Group may not agree but one individual does not make the greater number in the Group. Anyway, we are not going to quarrel about that. The purpose was to try and get the principle accepted. If there had been consultations perhaps we would not be discussing the matter now and the principle even now would not have been accepted.

HON CHIEF MINISTER:

If the Hon Member will give way. That is not true and the Hon Leader of the Opposition knows that it is not true and you should not say that when it is not true.

HON MAJOR R J PELIZA:

Mr Speaker, I am not saying that the Government does not want to give the Freedom of the City, this is not what I meant.

HON CHIEF MINISTER:

You keep on saying all the time that you did not mean what you said. You must try and measure your words.

HON MAJOR R J PELIZA:

Mr Speaker, that coming from another source I would accept but coming from Sir Joshua Hassan who one never knows what he says, I cannot accept.

HON A J CANEPA:

If the Hon Member will give way. I was present at a meeting with the Hon Leader of the Opposition and the Hon Mr Restano and there was no difficulty on the part of the Chief Minister and myself in accepting the principle. I left that meeting under the impression that we had accepted the principle that the Freedom of the City was going to be conferred on the British-Gibraltar Group.

HON MAJOR R J PELIZA:

I am glad to hear that the principle was accepted. I think the next thing is the question of when. The principle could have been accepted but this may never take place. We might accept the principle but if it is never going to take place then it is the same as not accepting it. What we are saying is that in our view we believe that this should be done as soon as possible and I believe that this motion that we are introducing today will accelerate the process. This is why I say that there are some virtues in what is done particularly because of the hesitation of one Member of this House in not supporting

the motion. Now I think because we have brought it out, because this is getting an airing, we may be able to get, and I sincerely hope so, a unanimous vote for the Freedom of the City when the time comes. There are two things, therefore, that I believe that this motion introduced by the Opposition has done. One is to accelerate the process, bring it to the public notice, because it is all very well to have consultations between leaders but I think the people too, are demanding something. I do not agree with the Chief Minister when he says that people do not care. I think the people do care and I think the people were very surprised that nothing happened after the British citizenship was obtained. Many people have asked me: "What are you going to do about it?" They even mention names of people who should get the Freedom of the City. I usually say when people ask me that the Chief Minister and the Leader of the Opposition and other Members of the House are thinking of how best this should be done. The people believe that the time has come when recognition has got to be given and I believe that by introducing this motion in the House, if it gets the publicity that it deserves, it will stir up public opinion again about something that people are even forgetting which they must not forget because it would be, I think, ungrateful to forget. We owe the Members of Parliament a great debt of gratitude. We cannot pay them with money nor do they want any money, they do not want any pecuniary compensation but I think it would be very, very well received if this motion were to be passed at an early time. I hope, Mr Speaker, that the Chief Minister, and I must read the amended motion because I think, basically, it is a total acceptance of the principle. "And resolves that the Honorary Freedom of the City of Gibraltar should be conferred on the all-Party British-Gibraltar Group in Parliament at a time considered, after consultations with officers and members of the group, to be the most opportune". I do hope, Mr Speaker, that consultations are going to start immediately, that consultations are not going to be left now for months and years, that these consultations, and I think the Chief Minister means it in this way, will commence immediately. I hope he takes into consideration the views of the Opposition which in any democracy a Government must take into account. I hope he takes into account the extent to which we have gone to try and impress upon the Government how strongly we feel about it and that taking all those things into consideration, he will start consultations immediately at an early meeting after this one - and in fact there is even time at the second half of this meeting - to introduce a motion giving those people who deserve it so much the Freedom of the City. I do hope that by then, Mr Speaker, the Hon Member, Mr Joe Bossano, will have been able to consult Members of the Labour Party in the United Kingdom and also his Committee in Gibraltar. I would like to say one more thing to Mr Joe Bossano. That he was elected neither by the Members of Parliament in the United Kingdom nor by the membership of his Party. He was elected by lots and lots of people who do not belong to his Party being a total of 5,000, and that he took into consideration that those 5,000 gave him the vote and I believe that most of those 5,000 people who gave him the vote would like him to vote in favour of this motion and give the British-Gibraltar Group the Freedom of the City of Gibraltar.

HON J BOSSANO:

I am not here and I was not elected here to be given lessons by the Hon and Gallant Member on where political responsibilities lie. I can assure him that with my close contact with the great bulk of the 5,000 people who voted for me, they have not got the foggiest idea what the Freedom of the City of Gibraltar means. The people that I represent in the main are concerned that the Members of this House today should be fighting to prevent the closure of the Dockyard and that is a thing that concerns them 24 hours a day, 7 days a week. As far as I am concerned, I do not tell the Hon Member how he discharges his responsibility and I would appreciate it if he does not tell me. The people of Gibraltar will have an opportunity to re-elect me or not elect me if they are not satisfied with my behaviour but when I go to an election I happen to subscribe to the principle that a lot of Members of Parliament subscribe to in the Labour Party which obviously the Hon Member does not, possibly because he is not a socialist, that I stand as the representative of a Socialist Party and that when I am in this House I carry out the policies of the Party. He seems to think that in my case I have to carry out a poll of my voters before I decide on policy whereas, apparently, in his case the leader of his Party has proudly announced in the course of this debate that they as a democratic party consult their own membership on their policies. Well, I can assure him that I do the same and that when it is something that affects Members of Parliament in the United Kingdom, because the Party that I represent is closely linked with the British Labour Party and with no other, it is they who we consult to see what they think before we make our own minds up.

HON MAJOR R J PELIZA:

I am surprised to hear Mr Bossano say that the Members of Parliament do not know what the Freedom of the City means.

MR SPEAKER:

The Hon Mr Bossano has not said that. Mr Bossano has said that most of the people in Gibraltar do not know what it means.

HON MAJOR R J PELIZA:

I thought I heard him say that the Members of Parliament did not know. Mr Speaker, I have a right in this House to express a view. I am not trying to give lessons to anybody. I am just going to express something which I think the electorate must know, the electorate must know, and there are 5,000 of them who voted for Mr Bossano and the electorate must know the way that Mr Bossano is behaving in this House and this is all I am saying.

MR SPEAKER:

Order. We are not going to make this a vote of censure against Mr Bossano.

HON MAJOR R J PELIZA:

Of course not.

MR SPEAKER:

Let us talk about the Freedom of the City.

HON MAJOR R J PELIZA:

What I am saying, Mr Speaker, therefore, is that if he says that he is going to consult his Party, I must draw the attention

MR SPEAKER:

No. You will talk about the motion and nothing else.

HON MAJOR R J PELIZA:

Mr Speaker, I have put my point and I do hope that the Government will act promptly. I can see that the Government want me to sit down because the more I speak they find themselves in greater difficulties all the time and this is why they welcome me sitting down, Mr Speaker, but I think I will relieve them from that at the moment, I have said enough. We go with the amendment provided that the intention of the amendment is to act on it and to act promptly so that there is this honour granted to the Members of Parliament who so much deserve it as soon as possible.

HON CHIEF MINISTER:

On a point of order. The amendment means what it says and no more and I am not going to have any interpretation put on it. The amendment is there and it is very clearly put. I am not going to be dominated by anything Major Peliza says.

HON MAJOR R J PELIZA:

Of course I know that I cannot dominate the Chief Minister. The Government has got the majority. If he wants to act in a way of bulldozing and taking no notice at all of what the Opposition says he might as well scrap the Opposition altogether and have a one-party State, Mr Speaker.

MR SPEAKER:

Let us leave it at that. Any other contributors to the debate?

HON H J ZAMMITT:

A very brief intervention, Mr Speaker, and that is that I think it would be a bad thing for Gibraltar if Gibraltar ever was to confer the Freedom of the City to anybody or any group of persons without the total unanimity of Members of this House and I think that what the Leader of the Opposition said yesterday that in consultation with his Party, he had been able to forecast the possibility of finding some opposition from Government benches, I think he did not suspect that he would find opposition even from Opposition benches, ie Mr Bossano, and if such is the case one wonders that even if we were to vote in favour of this amendment and if Mr Bossano was to abstain on this, would it not be embarrassing to those who are eventually to receive this? I wonder if the Hon Mr Isola who said yesterday that he had come to the conclusion that if there was opposition he would withdraw the motion, would it not be more elegant to withdraw the motion and leave it for a future date when the House may be able to come with total unanimity to the benefit of all of us.

MR SPEAKER:

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

HON P J ISOLA:

Thank you, Mr Speaker. Let me just say one word to the Hon Mr Zammitt and let me also just say that it appears from what the Hon Member has just said that, possibly, there is not the unanimity on that side of the House that there is amongst the Opposition benches - I was not referring to the cross-benches - there may not be the same unanimity and that is sad. It is a pity that the Hon Member has said this. I am not going to withdraw the motion because as I have said we accept the amendment made by his leader, the Hon and Learned Chief Minister, which accepts the principle which certainly we very unanimously adhere to on this side of the House, at least from my bench, the Democratic Party of British Gibraltar, and which I thought was also adhered to unanimously by his side of the House and I am not going to agree that the will of one Member of this House representing the smallest political party in Gibraltar is going to dictate to the rest of the House whether a group of people should receive the Freedom of the City of Gibraltar which is wanted by the great majority of the people of Gibraltar or not. I am not prepared to accept that sort of dictatorship even though the Government may do on a number of other issues, local issues, when they look at him and see whether he agrees and if he does not agree they do not do it.

HON CHIEF MINISTER:

If the Hon Member will give way. As it happens, we do not need his vote to get anything whether he agrees or not, that is a difference, but I think, if I may say so, the Hon Member was in no way diminishing the unanimity of the view of the public, it was only a thought about unanimity in respect of these things, there is no question about it.

HON P J ISOLA:

I am very glad the Hon and Learned Chief Minister has clarified what I may call the inelegance of the words spoken by the Minister who has just spoken before me. Mr Speaker, I did intervene on a number of occasions yesterday when the Hon Mr Bossano referred to the British Nationality struggle and I did say that what he was saying was not factually correct. I think it is important from the point of view of the people of Gibraltar, I think it is important from the point of view of the Members of this House, that the record should be straight in this. I think it was very wrong of him to say that what the 8,000 people signed for was not what they got. I know from personal experience, having myself walked round a number of blocks in the housing estates, I know what the people of Gibraltar wanted as far as the British Nationality Bill was concerned. If I may use the expression that I constantly encountered in my travels over the blacks it was "el pasaporte ingles". That is what they wanted and that is what they are getting if they decide to register as British citizens and that is what they asked for and that is what they are getting. The question of the amendment, what was called the 'Gibraltar amendment'. Let me tell the Hon Member that there was never a Gibraltar amendment as such in the Standing Committee of the House of Commons. The actual amendment that was put in that Committee was a very short and simple one, it just took Gibraltar out of the Schedule of Dependent Territories. That was the actual amendment. That was not a Gibraltar amendment, that was an amendment brought by friends in the House after lobbying from Gibraltar - we wanted to be British citizens, first class British citizens - and it was brought in that Committee by the Right Hon Mr Enoch Powell, and that amendment was defeated by the vote of the Chairman because it is tradition in Standing Committees that if somebody proposes an amendment and the Committee divides equally, the Chairman votes against the amendment, that is the Standing Committee Standing Rules or tradition, and that is what happened. That was not a defeat; that was in fact quite a victory.

HON J BOSSANO:

If the Hon Member will give way. The record will show that I said it had been very narrowly defeated by the casting vote of the Chairman and that amendment which might not have been put by Gibraltar, it had been put by Mr Enoch Powell, that amendment in fact was what the memorandum that all the representative bodies signed was all about because what the memorandum

was seeking was in fact that Gibraltar should be taken out of one category and put in another. That is not what we eventually got because we were advised that having lost it in that Committee there was no chance of getting it at all.

HON P J ISOLA:

That is not the case. If the Hon Member will let me continue. Mr Speaker, my Party took a very close interest in the British Nationality Bill, we are very concerned about it and without wishing any disrespect to the Hon Member, we did not find the same enthusiasm from his Party although they did support the efforts and therefore I was more closely linked with what actually happened. When that amendment was narrowly defeated as he said in Gibraltar we saw the chances, we saw the problems and we saw the difficulties. We had read what was said in the Standing Committee and it was in Gibraltar, not on advice from London, Mr Speaker, it was in Gibraltar that we formed the view that perhaps our strongest argument, forgetting British citizenship, was our situation as a member of the EEC and our situation of a people under siege and so forth because we realised there was very little difference between the situation of Gibraltar and the Falkland Islands, for example. We also realised that to treat Gibraltar differently to all the other dependent territories was to discriminate against the other dependent territories and there was the big problem of Hong Kong. In Gibraltar we took a realistic look at it, the Chief Minister and myself, and we had talks about it and the Administrative Secretary drew up a proposal that would achieve what the people of Gibraltar really wanted which was British Citizenship but be able to deal with the problem that we would face in London and a problem also in Gibraltar. Because let me tell the Hon Member that there was also a strong feeling, certainly on the Government side of the House and also I found in my Party, I will be quite frank, about the need to get British citizenship without losing our Gibraltarian identity as well, and this particular amendment was brought forward because there were a number of people, not very great I believe, but a number of people who might not want to be British citizens, who wanted to be just Gibraltarians. That amendment was brought and devised to meet all these things, to tell the British Parliament: "You are not forcing anything down our throats, we are asking you to allow any British Gibraltarian who wishes to become a British citizen to do so". That was the philosophy behind that amendment and that amendment was then taken up by Lord Bethell in London, because it was then going to the House of Lords as the Hon Member well knows, and was supported by other members of the British-Gibraltar Group. They said: "This is the Gibraltar amendment, this is what is coming from Gibraltar", and we took it on from there. In Gibraltar, let me say what happened in my Party, I cannot say what happened in the Chief Minister's Party. What happened in my Party was that we took the view that the amendment was satisfactory for two reasons. One, that it gave every Gibraltarian who wanted to be a British citizen to be a British citizen which was the main purpose of the exercise, and two, we

took the view, rightly or wrongly, that that amendment had got more chance of getting through than the straight amendment which took Gibraltar out of the Dependent Territories Schedule which is a bit strange to do in the British Nationality Bill because we are a dependent territory. If we got out, well, what were we afterwards? We could see the constitutional problem in Parliament arising out of that and we took the view in our Party, and I think rightly, that we stood a greater chance of achieving what we wanted to get which was British citizenship for the people of Gibraltar, in this way. We took their view. It so happens, as my Hon and Gallant Friend Major Peliza has said, it so happened that perhaps the dependent territories amendment would have got through because if the Falkland Islands only lost it by one vote in the House of Lords and Gibraltar won by 37 votes which is the most comfortable anti-Government majority there has been in the House of Lords for many, many years, it is possible that that amendment would also have got through. But we did not want to take risks, Mr Speaker, we wanted to go for something that we reckoned would command support in the House of Lords and something which could be worn by the British Government when it got back to the House of Commons. These were judgements that were made and I think it is all the great credit to the political leaders of Gibraltar that these judgements were made and turned out to be correct judgements. It was a great and glorious victory for Gibraltar and I am surprised that the Hon Member belittled that victory in this House yesterday especially as in the debate that was held in the House following the granting of British citizenship to the people of Gibraltar, as my Hon Friend Mr Loddio said in his contribution, the Hon Member at the end of his speech on the motion brought to this House by the Chief Minister, the Hon Member said that he was very happy to associate himself with the views and comments of the Hon and Learned Chief Minister and the Hon and Learned Leader of the Opposition. And one of the comments I made, Mr Speaker, in the course of that debate, at page 116; "that this has been, indeed, a great and glorious victory for the people of Gibraltar".

HON J BOSSANO:

If the Hon Member will give way. If he wants to quote me he might as well quote me in full.

HON P J ISOLA:

I have great hesitation in quoting the whole of his speech. I was taking his conclusion.

HON J BOSSANO:

If the Hon Member will give way. I will remind him that I said at the time that the support that we had obtained from the Members of Parliament was an enormous victory for Gibraltar because of the principle that Members of Parliament had, in fact, been willing to rebel against the directive of their own

Government and of their own party particularly the Members of Parliament who were rebelling, the Members of Parliament on the Labour side, effectively, would have had to vote against Gibraltar in order to rebel because they had a directive to support the Gibraltar amendment. My objection to what he had to say today is the same objection that I have expressed publicly before. When he keeps on talking about full British citizenship, what I understand and what I think most of the people outside understand by full British citizenship, was what we have today under the 1948 Nationality Act, which is an indistinguishable citizenship by birth, what we asked for in the memorandum, what we collected signatures for and what we lost by the casting vote of the Chairman. The mobilisation of support in Parliament was a great victory. Our gratitude for the people who supported us must be without reservations, but to say that we have now got full British Nationality and full British citizenship and that that has been a victory I said yesterday, Mr Speaker, that I was making a prediction about the future. The future would show whether I am right or not.

HON P J ISOLA:

Mr Speaker, the Hon Member says one thing one day and another thing another day. In that debate he had no hesitation in associating himself with the views and comments of the Chief Minister and the Leader of the Opposition. He said other things, I agree, I am not going to read his whole speech, that is there for the record, but I think if he associates himself with the views and comments of the Hon and Learned Leader of the Opposition, he has got to swallow the lot because he has got to read my speech. What I am saying today is what I said then. That is why I say that he says one thing one day and says another thing another day. I know the Hon Member is very concerned about the proposed Dockyard closure and we all are but put everything in its proper perspective, Mr Speaker. What my motion seeks to do is to recognise and show appreciation for the work of the British-Gibraltar Group over a number of years, 17 years to be precise. If we are going to have to wait, Mr Speaker, until every problem of Gibraltar is resolved before we give the Freedom of the City to the British-Gibraltar Group before we come up to the standards and demands of the Hon Mr Bossano, I think it will be my grandson who will be putting the motion down for the Freedom and even he will probably have a problem and have to think of something else. No, Mr Speaker, we want the Freedom of the City now for those who have done so much for the people of Gibraltar without any hope of reward, without seeking any reward whatever, and I believe that that view, expressed in my motion, is shared by the vast majority of the people of Gibraltar who recognise the extent of that victory, who recognise that without the support of the British-Gibraltar Group or sympathisers of Gibraltar because the British-Gibraltar Group to me is the symbol of the support in Parliament for Gibraltar. It is the symbol of British support for Gibraltar. That is why we chose the British-Gibraltar Group for the conferment of this high honour. And it is because of their support and because of their continuous pressures on British Governments - the Hon Member talked about

the Lisbon Agreement, I think that shortly after the Lisbon Agreement, the day after, while the Hon Member was addressing the crowds in Casemates, I think the Hon and Learned Chief Minister and myself went to London and we had a meeting with Lord Carrington and subsequently we went to the House of Commons to hear the statement from the Lord Privy Seal in the House of Commons on the Lisbon Agreement and it was the most edifying experience in my life, Mr Speaker, to see how Hon Members in the House of Commons from all sides of the House rose and dealt with all the problems that the Hon Mr Bossano had been saying that we had been sold down the river or whatever in Casemates, dealt with them and gave all the assurances the people of Gibraltar could possibly hope for. They gave them there and we witnessed it, Mr Speaker. It is because the British Government, I do not say they would act differently, but because the British Government is very, very aware of the way Members of Parliament from the British-Gibraltar Group, generally, stand up for Gibraltar and have stood up for Gibraltar over these last 17 years that our situation has been kept strong and firm and we have been able to resist the 17th siege for 17 years. That is the extent, Mr Speaker, of our achievement but only obtained because of the efforts of Members of Parliament. This is something that the Hon Member should bear constantly in mind and something he should think about before taking the step of abstaining on this motion. But he is quite right, he must decide what he does and the electorate must decide in the fullness of time whether what he has done is what they wanted him to do or not, I accept that completely. But let him have no doubt about it how we will tell the electorate about how he has voted, but he expects that, anyway. Mr Speaker, let us suppose that one Member of the British-Gibraltar Group, if he was one member of the British-Gibraltar Group, let us suppose for one moment that that member did not agree all that much for Gibraltar and was really a spy of the Spaniards. Mr Bossano said: "I do not want to give it to that man". Well, Mr Speaker, are we not going to give it to anybody because we do not want to give it to that man? We are giving it to the British-Gibraltar Group as a Group the same way as we gave it to the Royal Regiment of Artillery and we gave it to The Gibraltar Regiment. There may be some people there who are terrible, I do not know, who cannot stand the guts of us but they have got the Freedom of the City. We do not think that is an argument at all, Mr Speaker. That is an excuse to try not to do this for some reason or other. He talks of consulting the British Labour Party. What is he, is he the representative of the British Labour Party in Gibraltar? I will give way again to the Hon Member but not for a speech.

HON J BOSSANO:

Not for a speech, Mr Speaker. I said two things. I said because it was something that affected Labour MP's and because the people with whom we have links in the Commons, I would seek their views but primarily, I said, I am now putting arguments in this House of Assembly which I would have preferred not to put here if the Hon Member had done on this

motion what has been done on previous motions on the Freedom of the City and that is to find out how I feel about it. I have not had that chance to do it outside that is why I am having to do it here.

HON P J ISOLA:

Well, Mr Speaker, I hope the Hon Member does not consult the Members of the Labour Party that he consulted on the British Nationality Bill because I well remember when he came back and said that the left of the Labour Party or the people he consulted, anyway, were not prepared to support us and then we found that the whole of the Labour Party supported us and I told him at the same meeting that my experience with members of the Labour Party that I had approached, and that was Mr Tilley and Mr Hattersley, I got the feeling that there was support for Gibraltar so I hope that he consults the right people in the Labour Party this time. But whether he consults or he does not, Mr Speaker, in my view it is the British-Gibraltar Group that we are dealing with, it is the British-Gibraltar Group to whom we are conferring this honour and it is there, I believe, that the consultation must take place. Mr Speaker, as I said, we would have preferred for the motion for the Freedom of the City to have been conferred today because the frontier is to open on April the 20th. I think we ought to have a bit of sense of history about this and I think today, just before the frontier opens, would have been the opportune moment that the Government speaks about, in my view, and that is why we had to put it down at this meeting of the House. This is the last opportunity for the House to do so before the frontier opens but it could still be opportune, Mr Speaker, immediately after the frontier opens. We do come back around the end of April for the Budget and it could be opportune because we can have consultations with the Officers and Members of the British-Gibraltar Group when we go to London at the end of this month, we can have talks with them about it. I know the view of some of them and I can tell the House that they think the opportune moment is now but, alright, let us have a chat but let us have an opportune moment but not opportunism, that is what we do not want. An opportune moment, yes, but opportunism, no. The problem that I find, Mr Speaker, about the amendment which we accept and we will vote for, but the problem that I find is that with the Dockyard closure negotiations likely to go on for some time, with the Lisbon Agreement negotiations starting off now and likely to go on for some time, it is very possible that an opportune moment is going to be just before the next elections or just after the next elections and that is totally unsatisfactory from our point of view and it must be totally unsatisfactory for the people of Gibraltar who want due recognition to be given to the British-Gibraltar Group for what they have done for the people of Gibraltar. I say this in all sincerity, that I do hope that a decision can be made about what is the opportune moment very, very soon indeed because otherwise we may find that there will be no opportune moment, Mr Speaker, and that this House that is elected, until 1983 or the beginning of 1984, will not do what it says it will do.

HON CHIEF MINISTER:

If the Hon Member will give way. Whilst I do not propose to delay these consultations I do not want it to be thought that it is going to be a rush job. There will be a very good opportunity on our visit now but the reservations that were expressed not only by the Member here but since then in soundings I have taken, was precisely because of the Dockyard. It was not the Lisbon Agreement, it was not anything else, it was precisely because of the very sensitive area that we are now experiencing that that was the reason for the objection. That is why whilst I do not propose to delay the matter, I am not going to be rushed either, I would like to make that clear, but I will not delay the matter any more and I entirely agree and I have every intention of using the forthcoming visit to sound people, not collectively, because this is not the way in which we are going to do it, but in a proper way, as things are done, and that is what I propose to do.

HON P J ISOLA:

Mr Speaker, the reason why I said this and the reason why I say the opportune moment is now is because it must be done either before we get too involved in questions of money or long after it has all been resolved because anything in between could be considered something else, possibly. I do not believe it but, possibly, it could be and that is why the opportune moment in our view is now and that is why we put the motion in this House. The Government is not able to agree, well, so be it, but I do hope that consultations will take place. I do not think it is rushing it, Mr Speaker. The British Nationality Act was passed in October and we are now in March, coming on to April. I do not think it is rushing it, you know, six months afterwards. I do not think it is rushing it because the time that we are in because the frontier is going to open and perhaps it won't, Mr Speaker, and I think I have got to link it with that, I have got to link it with Lisbon and I have got to link it with the frontier opening because I think the people of Gibraltar want to show by their act in this motion want to show how they stand on that as well and I think in terms of historical perspective the opportune moment is now. I am not saying that the consultations should be rushed, all I am saying is that they should be held and I am glad to hear the Chief Minister say that he will hold these consultations at the end of the month as well. Let me say one thing, of course, that the same man who had doubts about it also had doubts about the advisability of going to London to lobby Members of Parliament, let me say that, he also gave that advice, and fortunately he amended that advice later on. He realised, perhaps, he was not right. I was referring to the visit to the House of Lords when we went before the House of Lords amendment. He thought it was better not to go any more. That advice was not adhered to, fortunately, or perhaps he amended his advice, I cannot remember. I do not want to be critical at all, I think we have got to take a broad view and I do not think we can take the view of one person. He is an experienced man but then, Mr Speaker, one has to live not just with experienced people; one

also has to live with the new generation, with Parliamentarians who are entirely different to those that we knew in 1964 or earlier, entirely different, younger people, have different ideas and want to get on. They do not think so much, possibly. That is what we have to think about and I do not want the thought to be got that Gibraltar, Mr Speaker, is dragging its feet on this issue. I think it would be most inopportune to give the impression that Gibraltar is dragging its feet on this. Therefore, I urge the Hon Chief Minister and his Party, I urge the Hon Mr Bossano to make decisions quickly as to what is the opportune moment and I certainly urge the Hon Mr Bossano, in the interest of getting a unanimous decision in this House when the time comes, to think again and to ponder over everything that has been said in this debate and try and get the unanimity that the Hon Mr Zammitt longs for which we certainly would be very happy with, obviously, I think that it would be a pity if the Freedom of the City was given with an abstention, I think it would be a pity, but if it has to be, Mr Speaker, I would rather give the Freedom of the City with an abstention than not give it because of that abstention and I think that the mass of the people of Gibraltar fully support the motion that I have put before the House. Thank you, Sir.

Mr Speaker then put the question on the Hon P J Isola's motion, as amended, which read as follows:

"That this House considers that Gibraltar should show its deep appreciation to its friends in Parliament for their unstinted support and efforts on behalf of the people of Gibraltar throughout the last seventeen years and more particularly in the struggle to achieve full British Nationality for the people of Gibraltar and resolves that the Honorary Freedom of the City of Gibraltar should be conferred on the all-Party British-Gibraltar Group in Parliament at a time considered, after consultation with officers and members of the Group, to be the most opportune".

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 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 following Hon Member abstained:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon A J Haynes
The Hon D Hull
The Hon R J Wallace

The Hon P J Isola's motion, as amended, was accordingly passed.

ADJOURNMENT

HON CHIEF MINISTER:

Mr Speaker, I beg to move that the House do now adjourn to Thursday the 29th April, 1982, at 10.30 am to deal with the Budget.

MR SPEAKER:

I will propose the question which is that this House do now adjourn to Thursday the 29th of April, 1982, at 10.30 am.

HON P J ISOLA:

I thought it was going to be the 26th, Monday the 26th.

HON CHIEF MINISTER:

Mr Speaker, the information I gave all Members through my office was on the 29th which is a Thursday.

HON P J ISOLA:

The only problem, Mr Speaker, is I do not know when the delegation for the CPA Conference in Jersey goes.

HON CHIEF MINISTER:

On the 8th May and there is plenty of time. May I adjourn it to the 29th and make every effort to see if we can be here on the 26th.

HON P J ISOLA:

I do not object to it. It is just that I want to make sure the date is right.

HON CHIEF MINISTER:

The date, as far as I am concerned, is the 29th April.

Mr Speaker then put the question which was resolved in the affirmative and the House adjourned to Thursday the 29th April, 1982, at 10.30 am.

The adjournment of the House to Thursday the 29th April, 1982, at 10.30 am was taken at 12 Noon on Friday the 19th March, 1982.

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

17TH MARCH, 1982

Vol. II (BUDGET)

THURSDAY THE 29TH APRIL, 1982

The House resumed at 10.30 am.

PRESENT:

Mr Speaker. (In the Chair)

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 Feliza
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.

DOCUMENTS LAID.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I beg to move under Standing Order 7(3) to lay the Draft Estimates of Revenue and Expenditure for 1982/83.

Mr Speaker then put the question which was resolved in the affirmative and the Honourable the Financial and Development Secretary laid on the table the Estimates of Revenue and Expenditure for the year 1982/83.

TRIBUTE TO THE LATE SIR PETER RUSSO

HON CHIEF MINISTER:

Mr Speaker, with your leave, I should like to take this opportunity, before proceeding with the business of the day, to refer to the sudden and tragic death of Sir Peter Russo and to pay tribute to him in this House for his contribution not only to the legislature but to Gibraltar as a whole.

Sir Peter was a charming person, a man of strong character whose wrath was to be avoided, and with whom I had the pleasure of working for many years, not only in the Legislative and City Council, but also professionally in my early days as a member of the Gibraltar Bar at which he ceased to practice actively many years ago. Sir Peter was appointed a Justice of the Peace in 1937. He had been an elected member of the pre-war City Council and its Chairman for a short time. He resigned from the Council when he was first appointed a nominated member of the Executive Council as it was then held to be incompatible to be a member of both the Executive Council and Chairman of the City Council. During the war years he was a prominent and hard working District Commissioner of the Resettlement Board which was concerned with the evacuation and later with the repatriation. After the war, in 1961, he was elected a Member of the City Council and its Chairman from 1951 to 1953 and continued to serve as a City Councillor. He was nominated to the Legislative Council in 1955 and served as such until 1964. As a nominated member, Sir Peter voted with the five elected members in June 1955 against an official budget proposal which was therefore defeated and which was then enforced by the then Governor, under the over-riding powers which he then had. The elected members were the late Albert Isola, S P Triay, Albert Risso, A W Serfaty and myself. This led to the only constitutional crisis which Gibraltar has ever experienced, all five elected members resigning as a result of the Governor's action. I am glad to say that there are still three of us who have survived this event: Albert Russo, Abraham Serfaty and myself. Those who have unfortunately died since then were the late Albert Isola and the late Sergius Triay. Following the visit of the then Secretary of State for the Colonies, Mr Alan Lennox Boyd (now Lord Boyd of Merton), new arrangements were made for elected members to have a greater say in the preparation of the Budget. The five elected members who had resigned were returned to the Legislative Council unopposed at the election called by virtue of our resignation. I mention this because in those days we would not have made the advance achieved if Sir Peter, though a nominated member had not voted with the elected members.

He was elected to the Legislative Council in 1964 when he became Minister for Housing and Economic Development in my Government. In 1965 he was appointed Minister for Housing until 1969 when he retired from public life.

Sir Peter was privileged to be among the first members of the Legislative Council to be directly responsible for a department, ie Housing.

I have concentrated my remarks, Mr Speaker, on his political life in the time available and I beg pardon if there has been any undeliberate omission but his life of so long and his service so large, that it was very difficult to take all the facts in the short time available but I would also like to say that he paid a full part as a businessman in Gibraltar with great imagination, big business which unfortunately, through reasons for which we are still suffering did not prosper as it should have apart, of course, from the fact that he was a very prominent member of the Yacht Club for which he was a very great helmsman and commodore for many years.

His services to Gibraltar were suitably recognised by Her Majesty The Queen with the award of the OBE: he was later promoted to the CBE and was knighted in 1964, and of course his contribution to local life was very big.

Mr Speaker I should like to take this opportunity to place on record the sterling work which Sir Peter has carried out on Gibraltar's behalf in various fields over so many years particularly in the field of housing and education, in which as a trustee of the Mackintosh Trust he devoted a considerable amount of.

Mr Speaker I am sure all Members of this House will wish to join me in offering Sir Peter's family our sincere condolences through his grandson the Hon Andrew Haynes, one of our youngest Members, who has the excellent example of his grandfather to follow.

HON P J ISOLA:

Mr Speaker, I would like to associate myself and the Opposition with the remarks of the Honourable and Learned Chief Minister and express our own condolences to his family on his sudden and tragic death. I have heard with interest the political career of Sir Peter from the Chief Minister and there is not really very much one can add except to say that his political life really span two generations of Gibraltar. He lived through the war period as Nominated Member. He belonged to that brand of men that were chosen with some foresight and some care by Governors of Gibraltar

in the old colonial days of Gibraltar, to govern the destinies of Gibraltar or help to govern the destinies of Gibraltar without going through the elective process and as the Chief Minister has rightly said, he was nominated by the Governor to serve in the Constitution of those days in this House and I remember serving with him. I remember very well that although he was nominated by the Governor and therefore could be said to owe a certain loyalty to him who had made him a Member of the Legislative Council, he did stick to his independent views, he did express his views and even confronted the Governor in that famous vote of the constitutional issue. I think it is a lot of credit to a man who possibly could have, with the influence he had in those days, and the influence he exerted not just on the Governor but I think the respect and influence he had on the governing party and other independents, that he was part of the constitutional discussions that did away with the Nominated Members. He did not try to keep them, he realised that Gibraltar had to move forward and that showed, to my mind, the profound appreciation in a man who was not so young then, a profound appreciation of the need for political development in Gibraltar. I think it says a lot for him, too, that having been in the comfortable situation of a Nominated Member, not having to worry about the electors, he chose to face the electors, as an independent in the 1964 election. He had an excellent agent, I remember him being called Mr Housing in those elections and getting in. It is not for me to set out the achievements of the governing party, but I think it is in very great measure due to Sir Peter Russo, in the interest he took in Housing, that the big housing projects of the Laguna Estate and Glacis were conceived and implemented. In Housing he had a great drive, he had a great drive too in Education, Mr Speaker. I was associated with Education around those years and I must say he was always very helpful in educational schemes. The John Mackintosh Hall, for example, the ideas came from my Department at that time and he was enthusiastic in helping the idea forward and in going forward with the construction of the John Mackintosh Hall. He was not a young man in those days but he had the vigour of a young man. In the elections of 1964 it was a matter for me of great personal regret to have to criticise him publicly for having as an independent joined the governing party in forming a Government but that all, Mr Speaker, is past history. I believe that he did what he thought was right at the time and although we the independents remaining did not agree with his decision, nevertheless, I respected him for doing what he thought was right. Even in the last few years one of the things that has struck me about Sir Peter is that whereas other older post Members of this House, other members of the CPA, have more or less forgotten us, if I might put it that way, in our functions, Sir Peter was

always there and even though he was unfortunately deaf as a doornail, if I may use the expression, he was at all these parties and always right to the bitter end and I think it says a lot for the sincerity and it says a lot for a man who throughout his life has served Gibraltar and even when perhaps he was getting a really old man he still played a full part. I believe, Mr Speaker, I have no personal knowledge of this, even as a trustee of John Mackintosh right up to his dying day he has taken and continued to take a most significant part in its deliberations. A truly fine man, a truly fine career, Mr Speaker, and I do associate myself most heartily with the remarks made by the Honourable and Learned Chief Minister.

MR SPEAKER:

I would like to say, as has been stated, that we have all been saddened and shocked by the death of Sir Peter Russo in such tragic circumstances and I join in the words of appreciation to him and in the condolences to his daughter, to the Honourable Mr Haynes, his grandson, and family as expressed in the House.

HON A J HAYNES:

I would like to thank the House for their kind words and I extend the gratitude of my family to the House.

HON CHIEF MINISTER:

Mr Speaker, I beg to move that Standing No.19(1) be suspended to allow me to propose a motion in the subject of the Falkland Islands of which I gave you notice earlier today.

Mr Speaker then put the question which was resolved in the affirmative and Standing Order No.19(1) was accordingly suspended.

HON CHIEF MINISTER:

Mr Speaker, I have the honour to move that: "This House expresses, on behalf of the people of Gibraltar, its full solidarity with the people of the Falkland Islands in their present difficulties, notes the British Government's resolute and determined defence of their wishes and interests, and prays for the success of the Task Force in their mission and for their safe return."

This is the first time, Mr Speaker, the House has met since the crisis in the Falkland Islands began four weeks ago and I believe the House will wish to join with me in giving public expression to our sentiments, and those of the people we represent, on the plight of the Islanders and of the firm response of the British Government.

We in Gibraltar have followed the events of these last few weeks with the deepest concern for the people of the Islands, some of whom we know. In these moments of great difficulty we offer them our best wishes and our prayers for an early and safe deliverance from unlawful aggression and the ruthless flouting of their basic human rights.

I am sure that we have all been deeply moved by the determination with which the British Government and the people of Britain have leapt to the defence of the people and the territory, by the British Government's desire for a peaceful implementation of the Security Council's legally binding resolution and by its firmness in upholding the rule of International Law.

We offer our prayers also for the success of the Task Force and for their safe return.

If, as I feel sure, the motion is passed, I will ask His Excellency the Governor to forward the text to the Foreign and Commonwealth Secretary with the request that it be transmitted to the Prime Minister and to the Secretary of State for Defence on our behalf.

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

HON P J ISOLA:

Mr Speaker, we certainly support this motion. I think it is proper and right that this House should as a House and as the elected representatives of the people of Gibraltar, express what I am sure are the feelings of everybody in Gibraltar in this crisis of the Falkland Islands. The taking of the Islands by force in complete disregard of international law and against the wishes of the inhabitants is something that has shocked, I think, the whole of the civilised world and we must identify ourselves in this period of time with those people in the Falkland Islands who are forced to live under the yoke of the Argentine invader. Here in Gibraltar I think we have all sought to do what we can to help in the situation, there is not much we can do, but it has been shown in the way in which the working people of Gibraltar have reacted to the crisis, especially in the Naval Dockyard, has shown how committed the ordinary man in the street in Gibraltar is to this cause. We support fully the Government of the United Kingdom in the action it is taking, we think that England is fortunate at this time to have at the helm the Iron Lady who has shown with remarkable courage her defence of the principle of self determination for people and shown to the whole world that she is prepared to commit British

Forces in defence of that principle. I think here in Gibraltar there is nothing but admiration for the British Government in the way it is handling the situation. I think also that the British Government and it is clear, I think, from opinion polls and things like that that have been carried out in England, that the British Government also has the support of the people of Britain in the action they are taking and we hope, Mr Speaker, that the actions will be successful, nobody would like to see loss of life, and we pray that the Task Force may return safely to Britain after its mission is completed and that the people of the Falkland Islands will once more live in freedom according to their wishes under the Union Jack.

HON J BOSSANO:

Mr Speaker, I support fully the motion. I cannot say that I share the admiration for the Iron Lady of the Honourable and Learned Leader of the Opposition, but I certainly consider that it is absolutely right that the British Government should use force to redress an aggression and the imposition of an unwanted administration in the Falkland Islands which was only possible by the use of force in the first place and I think that when one is dealing with a Fascist regime that has total disregard for human rights in its own country and has got no respect for people's wishes, it is only the genuine threat of the use of force that can make them stop and think again. The credibility of the British Government's threat could not be sustained if, in fact, the fleet had never got there and it seems to me that those Members of the Labour Movement in the United Kingdom who are in fact criticising the use of force in the Falklands having first supported the sending of the Task Force, quite frankly, I think they are completely up the tree on this one. I think it is absolute nonsense to say it is right to send a Task Force and then it is wrong to use it when it gets there and therefore I associate myself fully with the way the British Government is handling the problem which is in fact to attempt to get a peaceful restoration of sovereignty over the Islands by the acceptance of the Argentinian regime that they should withdraw their occupation forces, but to be willing to send them packing if the need arises and if the British Government, either the present Government or any other Government, failed to do this and I think it is important that Members of the Opposition in the United Kingdom should be aware of the damage they can do to the degree of confidence that one can place in assurances from the British Government if when the crunch comes those assurances will not be fulfilled because in fact the British Government of the time feels it cannot go ahead. I think it is very serious that the Labour Opposition in particular that has in the case of Gibraltar made so clear its support for the right of self determination of the people of Gibraltar and respect

for their wishes, should hesitate about having to use British Armed Forces to protect such rights because in fact no small territory that is linked with a large nation can have any confidence in that link if the protection of the nation is not there when the time comes. The Falkland Islanders have got a right to expect force to be used to defend them and their homes exactly the same right at the people in Dover have and the fact that they are 8,000 miles away does not alter the principle one iota, Mr Speaker, and I think that the British Government must do, obviously, what it can to persuade the regime but I have little confidence that it can and one thing, of course, that I think it important that we should look forward to is not just the restoration of the Island free from the occupation forces that are there now but also once it happens that there should be a continued determination on the part of the British Government to say that no settlement of the dispute can in fact be implemented without the seal of approval being given by the Falkland Islanders themselves. I think it is heartening to hear Members of the British Government saying in Parliament that the rights and the wishes of the Falklanders are paramount and I think we all in Gibraltar who are in a not dissimilar situation, sincerely hope that this will continue to be so after the Islands have been recovered as I am sure they will be.

HON A J CANEPA:

Mr Speaker, I am glad to see that the House at the earliest opportunity which it has had since the invasion of the Falkland Islands, is expressing its sentiments and its views on the matter in no uncertain fashion. During the Chief Minister's absence earlier this month when I was acting for him on Saturday the 3rd of April, I think it was, I was interviewed by BBC Radio for Radio 4, I was able that evening to react in a manner which I thought expressed the feelings of the people of Gibraltar about the hardship and the suffering that the people of the Falkland Islands had been subjected to the day before. I think, Mr Speaker, that what is at stake fundamentally here are the basic principles of democracy such as truth, freedom and the right to choose one's way of life. We have seen only yesterday evening how a curfew and restrictions on the freedom of movement of the Islanders has already been imposed as a direct consequence and a direct reaction to the measures which the British Government is taking. We have also seen the well-known and well-tried tactics of military dictatorship in the use of propaganda, in lies and in attempts to get people behind them by panic measures such as the preparations of a civil defence nature that are taking place along the towns and cities of the Argentinian coast. I cannot for one moment, Mr Speaker, envisage the British Task Force taking military action against innocent Argentinians who are not occupied in military activities. Yesterday, Mr

Speaker, just before a meeting in Secretariat, someone happened to remark when there was some discussion about the events in South Georgia as to whether there had been casualties and as to whether fighting was still going on, someone happened to ask: "Well, who do we believe? Do we believe the British version or the events or the Argentinian?" I gave a very quick and ready answer, I said: "I have no doubt who I believe, I believe what the BBC says because of their track record during the second world war, in particular, and later. When Hood was sunk by Bismark the British did not keep it quiet, immediately that was released. On the other hand the Ark Royal, which was associated with Gibraltar, was reported as having been sunk by the Italian Air Force on numerous occasions and it was not true." You believe people by their track record. So, of course, we believe the British version of events but I do not think that it is beyond the military dictatorship in Argentina, having regard to the fact that there are over 10,000 people who cannot be traced, I do not think it would be beyond them to seize when they are returned to Argentina some of the poor soldiers who were, reluctantly, I would imagine, taken to and left in South Georgia, it might not be beyond them to drop them from some aircraft over the River Plate so that they disappear and then they can say: "We have sustained casualties, people are missing, we have had casualties." That is by definite contrast with what Britain does. There has been an incident involving an Argentinian soldier and that immediately is made public. Yesterday evening, and this is with reference to the last part of the motion about the Task Force, yesterday evening for a couple of hours one felt a little bit anxious in case Spanish television at 8 o'clock had got it right with regard to the report about HMS Exeter. I had the privilege and good fortune less than a year ago when Exeter first called at Gibraltar and I met the Captain, to be invited because I could not go during the afternoon when Exeter was open to the public, I had the good fortune to be invited and shown round by the Captain early in the morning with my two sons and naturally as a result of such a visit one develops a certain affinity with a particular ship, something which I am sure many of us have experienced in Gibraltar over the years, quite apart from the general regard and affection which we have for the Royal Navy and, as I say, for a couple of hours I was slightly anxious until I could hear the 10 o'clock BBC radio news. I was worried when I listened to the 9 o'clock Gibraltar television news in case they were going by an earlier news broadcast, I was fairly confident that nothing had happened to the Exeter and that it was just propaganda which our friends across the way there had picked up immediately and as they never show the "plumero", as the saying goes, immediately they had put a doubt, it was subject to confirmation, of course, but this is what some Argentinian pilot or other had seen or had wanted to see. The Chief

Minister very often says that people readily believe that which they anxiously desire but this is what the whole thing is about and that is why we feel for the people in the Falkland Islands because we have been subjected for many years of the same kind of propaganda and prior to 1975 and prior to the transition that there has been to democracy in Spain, I am sure that we in similar circumstances might also have been subjected to the same kind of treatment from the Franco regime that the people in the Falkland Islands are suffering. I am very glad to see that the Commonwealth countries have reacted in the manner that they have and we, not only because we identify perhaps in a rather special way with the people of the Falkland Islands, we belong to this family of nations, we subscribe to the same principles and I think it is right and proper that we should very strongly approve this motion.

HON MAJOR R J PELIZA:

Mr Speaker, I would very much like to associate myself with all the speakers so far and also to say that it is a great pleasure to support, and I think even Mr Bossano will agree with me, of the most attractive Prime Ministers Great Britain has ever had. But it is not just in her looks that one can admire this lady but on the fact that she has taken on her shoulders one of the most decisive decisions that Great Britain has had to make since the last war. It is very easy to say: "We are going to fight", it is a different matter to think it out and think it through and say: "Can the nation fight? Has the nation got the will to fight and how far can the nation stand the loss of blood that this may lead to?" It is very easy to say: "Let us go to war", it is a different matter altogether to go to war and this lady, Mr Speaker, has had the tremendous courage to go ahead and do so. I know it is not as dramatic as the stand that Winston Churchill took when Britain stood alone and fought dictatorship with hardly any weapons to defend the British Islands. All he had was a lot of courage and a lot of faith in the people of Great Britain and it is the same kind of courage that this lady is showing today and which can have serious consequences one way or the other towards the future and the freedom of the world because if we allow little dictators to grow bigger, the big dictators become monsters and Frankenstein's, Mr Speaker, as did happen in 1939. I remember when I was 18 years old, Mr Speaker, when Hitler came to power in Germany and then the fear was again: "Do we go to war? Are we going to lose blood?". It was very difficult, Mr Speaker, to decide that perhaps over the Sudetenland we should have a war, a serious war, and because of that, Mr Speaker, we did not and the result was the extermination of 6 million Jews, Mr Speaker, the most terrible crime that I think has been committed in this world and apart from that millions of people had to die. Why? Because at the right

moment, at the start, we were not prepared to face the situation as this lady is doing now, Mr Speaker, and therefore we little people, obviously, who feel this pressure much more than the bigger nations, who have more self confidence and can put the things off to another day do appreciate, Mr Speaker, what Her Majesty's Government are doing today in defence not just of the self determination of small people but of the whole principle of the freedom of the whole world and one can only admire Britain for this and we who have always felt very proud of being British will even feel prouder now at what is happening today. At the same time, I think, Mr Speaker, one must pay tribute to the men themselves who go out to fight, the most efficient fighting force in the world and a force, Mr Speaker, that fights for peace, not for aggression, Mr Speaker, for peace and this should be a great reminder to those pacifists who think that aggressors will not be a threat to the world if we disarm. It is clear, Mr Speaker, that if we are weak the strong and criminals of this world will not hesitate to take over power in whatever form and then, Mr Speaker, implement their authoritarian regime of which unfortunately we still have a lot, not just, Mr Speaker, on the Fascist side but also, unfortunately, on those who are supposed to be looking after the working classes as well. Mr Speaker, I associate myself with this motion and I do hope that this can be transmitted with all speed to Her Majesty's Government so that they see how much their action is appreciated. It is a great pity that a little division is beginning to appear in Great Britain. I do not think that, of course, it is due to any differences in aim but I think perhaps it is a mistaken view that just by talking in the United Nations something can be achieved. We who know the United Nations very well, Mr Speaker, perhaps better than many others, know very well how the attitudes of that institution is not moved by fair play, by morality, by justice but above everything else it is all moved by national interest, Mr Speaker, and therefore to put our faith only on that I do not think we are going to move in the right direction particularly when they have to put resolutions into effect. If we had a Police Force in the United Nations which would be prepared to make sure that aggression did not pay, then I think I would go with that wholeheartedly but the United Nations have not reached that stage, Mr Speaker, and if we want to make sure that aggression does not pay Britain once again, Mr Speaker, is proving that they stand by their principles firmly and surely and this will get not only the admiration of the British people, Mr Speaker, it will be an inspiration for all the nations of the world. It will be respected by our enemies and supported by our friends and this has already been shown in the European Community who have come immediately to our support. It is a wonderful example, Mr Speaker, of a nation that stands for human rights. I only hope that the United States will not delay their

position much longer and will come on our side as I think they should have done right from the beginning. Perhaps if they had done so the whole matter would have been over by now. It is a matter of great regret, Mr Speaker, that the United States, such a great nation to whom, of course, we owe so much in the last two wars have the habit of always coming rather late into the scene.

MR SPEAKER:

With due respect, let us not digress from the motion before the House.

HON MAJOR R J PELIZA:

Mr Speaker, I am about to finish now. All I say, Mr Speaker, is that I hope that it will be a great successful operation and that the whole matter can come to a proper and just end through negotiations and not through more firing.

HON MAJOR F J DELLIPANI:

Sir, I would like to associate myself with the motion moved by the Honourable the Chief Minister. I am always surprised by the Chief Minister because I was really getting worried that we were not going to do anything about it and without any prompting from anybody he comes with a motion that I myself would have liked to have brought. I would have liked to have done it sooner but obviously this is the best occasion and the best place to do it to show our solidarity with the Falkland Islanders. Though I join with everybody in congratulating the British Government in sending its Task Force and I wish well the Task Force and all its members and I am sure that they will achieve what we want them to achieve and that is that armed aggression against an innocent group of islanders does not pay in any way. There is, I am sorry to say, a lot of fault in previous British Governments for the situation that now exists in the Falkland Islands, and I mean Conservative and Labour Governments, because through the contacts that we maintain with the Commonwealth Parliamentary Association, the Falkland Islanders follow very closely everything that Gibraltar says and does and in 1979 when I was in New Zealand, the young representative of the Commonwealth Parliamentary Association from the Falkland Islands who happened to work for the Cable and Wireless and was married to an Argentinian girl, said that he was very frightened in 1979 that the Argentinians would do what they are doing now because the British forces in the Falklands at that time were the same as they had now, something like 70 or 80 Royal Marine Commandos. He was also frightened at the way Britain was pushing the Falkland Islands towards more dependence towards Argentina because they had to depend on their flights, on their fuel, on just about everything for

their existence on the Argentines and that was to me a clear indication when I met him and I did not know this, of a subtle way of pushing people against their wishes towards another country. I do not know if this was Government policy or the usual mandarines in Whitehall where they move little flags and they say: "Well, this little flag is spoiling a big flag that we need here, let us shift it out of the way". Let us not forget that the present situation is due to neglect on the part of previous British Governments and I sincerely hope that they have learnt a lesson that we must be very suspicious of all moves. All little colonies, all little people must be suspicious of countries surrounding them. Let me end by saying that I do not like to send British troupes to fight in the Falkland Islands, I do not want to push them into fighting, but let me say that there are many Gibraltarians both in the Reserve of The Gibraltar Regiment and in HMS Calpe who have offered themselves to fight in the Falkland Islands.

HON CHIEF MINISTER:

Mr Speaker, I was simple in my remarks and I did not want to get myself involved into side issues. I think the main principle has been supported by all Members and I am glad that it has received such warm applause and I shall see, as the Honourable and Gallant Member mentioned, I shall see that it is transmitted, in fact, an advance copy of the proposal is on the way now to The Convent and the actual motion passed will be conveyed. There is only one thing that I would like to say which inspired me greatly last night on the news and which arises out of the remarks made by the Honourable Major Dellipiani and that is the fact that those who resisted so gallantly in South Georgia, the ones that resisted and who looked as if they were a battalion because when they came out the Argentinians said: "Where are the others?", they gave them such a fight that they have volunteered and they are on their way in the Canberra to join in the fight because they did not finish it. That, I think, is an indication of the willingness on the part of a volunteer service to vindicate their country's honour.

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.

SUSPENSION OF STANDING ORDERS.

HONOURABLE FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move the suspension of Standing Order No.30 in respect of a Bill for an Ordinance to regulate banking and other categories of deposit-taking business in Gibraltar.

Mr Speaker then put the question which was resolved in the affirmative and Standing Order No.30 was accordingly suspended.

BILLS

FIRST READING

THE BANKING ORDINANCE, 1982.

The Honourable the Financial and Development Secretary moved that a Bill for an Ordinance to regulate banking and other categories of deposit taking business in Gibraltar be read a first time.

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

The Bill was read a first time.

FIRST AND SECOND READINGS

SUSPENSION OF STANDING ORDERS

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move the suspension of Standing Orders Nos 29 and 30 in respect of the 1982/83 Appropriation Ordinance, 1982.

Mr Speaker put the question which was resolved in the affirmative and Standing Orders Nos 29 and 30 were accordingly suspended.

THE APPROPRIATION (1982/83) ORDINANCE, 1982

The Honourable the Financial and Development Secretary moved that a Bill for an Ordinance to appropriate an amount not exceeding £48,378,314 to the service of the year ending with the 31st day of March 1983, be read a first time.

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

The Bill was read a first time.

SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I beg to move that the Appropriation Bill (1982-83) be now read a second time.

In my budget speech last year I said that whereas a slow world recovery was forecast for 1981, there were conflicting views on the medium term prospects for the U.K. economy. The consensus was that the prospects gave no rise for optimism.

The major economic indicators for 1981 now confirm that the recession in the world economy has been longer than expected. The most significant factor which disappointed last year's hopes for some recovery was the pronounced deterioration in the U.S. economy. This nullified expectations for export-led growth in Europe and pushed up interest rates among OECD's debt-laden economies to historically high levels, both in nominal and real terms. The result has been depressed output and substantial increases in unemployment; the latter rising to an average OECD rate of 8% or 27 million persons. The continued application of tight fiscal and monetary policies offers no scope for an early reversal.

The accent continues to be on measures aimed at combating inflation, which already shows encouraging signs of a sustained, underlying slowdown. With the help of more stable oil prices and falling prices for other commodities, inflation among the industrialised countries has edged towards single figures.

Although there are some signs of recovery, notably, the recent sharp fall in world oil prices, it would appear that the performance of the U.S. economy, and more specifically the response of real interest rate movements to recessionary pressures, will largely determine the extent and speed of any revival in the U.S.A. and elsewhere in the industrial world. This calendar year world trade and output is likely to grow marginally, but this growth is unlikely to prevent a further rise in unemployment. The uncertain and difficult international outlook does not auger well for the U.K. economy.

The consensus of forecasts for the U.K. economy in 1981 proved to be painfully accurate. Economic activity fell for the second year in succession. The fall in real GDP was similar to that in 1980, when it fell by 2½%. In historical terms, this continued decline has been the worst since the 1930's. Another depressing aspect was the predictable rapid rise in unemployment to a post-war record figure of some three million or around 12% of the working population. Deflationary fiscal and monetary policies aimed at controlling the public sector borrowing requirement to a level consistent with the medium-term financial strategy, did not alleviate the problem. Interest rates remained high; indeed, in the second half of the year short-term interest rates in real terms were at their highest since the 1960's. Money remained tight and it is hardly surprising that the level of gross fixed investment in 1981 fell sharply, by 8%, the largest annual decline since the war. The fall was particularly acute in the manufacturing sector, where provisional estimates reveal a decrease of some 17%.

The emphasis on monetary policy was re-directed away from domestic monetary targets, towards stabilising the exchange rate to avoid a large depreciation and hence an inflationary upswing. The falling exchange rate largely offset the cost advantages gained from lower unit labour costs arising from more moderate pay settlements and improved productivity. The impact on prices was therefore modest with the annual rate of inflation standing at around 12% at the end of the year. With earnings rising by 10% to 12%, real personal disposable incomes fell by about 1½% to 2%. Consumer spending levels nevertheless remained unchanged with reduced rates of savings.

More recent indicators reveal some signs of recovery. Towards the end of 1981 and the early part of this year the fall in output had been arrested. This does not however necessarily signal the end of the current recession. There is general agreement among forecasters that there will be some small but restrained recovery. Output is likely to rise marginally. Exports and fixed investment should pick up and sustain an overall improvement. But little or no growth is expected in personal consumption and unemployment is certain to rise, albeit at a reduced rate. The 1982 U.K. budget represents a minor relaxation in restrictive economic policies in an attempt to sustain the expected revival. There is however no change in the direction of the U.K. Government's public expenditure plans. In the areas of defence, overseas aid and public sector pay, these plans have a significant bearing on the future course of the economy of Gibraltar.

Before I turn to the broader implications for the economy of the defence review, development aid and the prospective opening of the frontier, I would like to comment on the performance of the Gibraltar economy during the past year.

World price stability, particularly in oil prices, has a significant bearing on the inflationary pressures to which Gibraltar is so openly exposed. In 1981 inflation in Gibraltar was running at around 10%. An important factor containing inflation close to single figures has been the slow-down in food price movements. The annual rise in food prices was 7.6%, representing an all-time low since 1970.

It is estimated that the level of real disposable incomes for an average Gibraltarian family rose in 1981 by around 3%. Overall, average earnings during 1981 rose by around 12% in line with the UK. In real terms, the effects of inflation on household budgets have been checked by increased incomes arising from the 1981 pay settlement. Although pay awards followed the UK pattern of some 8%, wage drift in the form of increased allowances, bonus payments, and higher overtime rates accounts for the additional improvement.

In the year October 1980 to October 1981, average weekly earnings for full-time adult men rose from around £98 to £110. Average weekly earnings in the official sector continued to be ahead of those in the private sector with a differential of 18% - a trend established since the implementation of parity in 1978.

The differential continues to be greater among monthly-paid male employees; official sector earnings averaged £675 in October 1981, or around 30% more than those in the private sector. Here the disparity largely reflects the comparative disproportionate distribution within the two sectors of professional, technical and administrative employees to less highly-paid occupations.

The October 1981 employment survey showed that there has been no significant change in the overall level of employment. In anticipation of the lifting of frontier restrictions by Spain, the Government recently increased the total numbers employed, specifically extra police and revenue staff. In the private sector, the indications are that the position is more fluid; some increase has occurred in those areas which have been preparing for increased business in an open frontier situation, notably retail, wholesale and banking as well as tourist-orientated establishments. However, the construction industry is facing a further and more serious down-turn and potentially there is the danger of a sudden and sharp fall in employment. Overall therefore the unemployment situation already gives cause for concern without taking account of the likely effects of any redundancies that might arise at H.M. Dockyard.

The number of unemployed has increased progressively from 150 in 1979 to 240 in 1980 and to 373 at the end of December last. The main reason has been the recession in the construction industry and the increased number of young people who found it difficult to find employment. Following the defence review, the Dockyard has offered no apprenticeships, which normally would have provided employment for at least 20. By the end of March this year the figures showed some improvement. The number of young people unemployed had been reduced to 37. 101 had been placed in employment mainly in the retail trade and in clerical posts. The overall figure for unemployment at the end of March was 260 made up of 223 adults and 37 juveniles. This figure compares favourably with that of 373 at the end of 1981. However building contractors have estimated that about 250 employees may become redundant between now and July, as current projects e.g. New Power Station, Girls' Comprehensive School, come to an end unless further building activity is generated.

The problem will be exacerbated in the summer when some 100 school leavers will be looking for their first jobs. The

existing level of unemployment is however totally overshadowed by uncertainty over the future of the Dockyard. Despite the ODA allocation of £4 million development aid for urgent projects necessary to strengthen the economy and the Government's plans for increased borrowing, Gibraltar is experiencing a serious hiatus not of its own making in development as the 1978/81 development programme projects come to an end. The prospects for a major increase in public capital investment this year are limited and some further unemployment in the construction industry, however temporary, appears inevitable.

The trade figures for 1981 contrast with the pattern set in 1980. Although Gibraltar's total imports of £66 million reflected an increase in value of £2.70m (+4.3%), non-fuel imports fell in value by £2.96m (-6.3%) over the previous year. This indicates an overall decrease in volume of trade and reflects notably the overstocking last year but also that saturation point has been reached for certain consumer goods.

Part of this decrease was accounted for by a fall in the number of motor vehicles imported which fell by 719 to a total of 1214 vehicles. This was a decrease of 37% over the previous year. Including spares and accessories the fall in value was around £1.3 million. Other notable decreases were clothing (-12%) and domestic durable goods, including furniture and electrical appliances (-19%). There were two notable increases - building materials (+34% or £1 million) and tape recorders and videos (+60% or £0.3 million). The net fall in value was about £1 million. The decline in the consumption of food as a proportion of total consumption levelled off in 1981 at around 27%.

The total exports figure for 1981 stood @ £25.6m compared with £16.99m in 1980 - a rise of 51%. The main reason for this was the increased export of petroleum products totalling £19.9m (78% of all exports), some £7m higher than in 1980; in volume terms the increase was 36%. In part, this arose from a welcome 14% increase in the number of ships calling for bunkers. The value of exports, excluding petroleum products, was £5.7m - an increase of 36% on the 1980 figures.

The balance on visible trade in 1981 showed a deficit of £40.2m (£46.1m in 1980 and £36.1m in 1979). Excluding petroleum products the reduced deficit in the visible balance on all commodities stood at £38.4m, compared to £42.9m in 1980. Petroleum products were in deficit by £1.8m in 1981. It is estimated 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.

1981 was a disappointing year for the tourist industry in Gibraltar; it was particularly bad for hotels. The total number of visitor arrivals fell from 154,000 in 1980 to 132,000 in 1981 (a fall of around 14%), this was the lowest recorded number of arrivals since 1978. Air and sea arrivals fell by 7% and 17% respectively. Arrivals at hotels fell more sharply by 19%. Since the closure of the frontier, hotel arrivals have only been lower in 1977 and, marginally, in 1972. Guest-nights sold and sleeper occupancy rates were at their lowest recorded level since 1972, falling by around 30% and 25% respectively. Tourist expenditure in Gibraltar is estimated at £11m for 1981 compared with £10.4m in 1980. This represents a 5% drop in real terms. Expenditure from excursionists and yachting traffic continued to be the highest per capita; regrettably yacht arrivals fell slightly from 4445 in 1980 to 4281 in 1981 (-4%).

Load factors on arrivals from the UK averaged around 80%, showing little change compared to 1980. The number of seats offered on charter flights fell by around 20% with no compensating increase in the numbers offered on scheduled services. This was an inhibiting factor in promoting tourist traffic to Gibraltar. Inevitably the continued recession in the United Kingdom, our main tourist originating market, dampened the prospects for tourist activity during the year. This has been compounded by the availability of cheaper package holidays at competing European and American resorts. Any significant improvement in tourist prospects for 1982 necessarily hinges on the opportunities that would be afforded by an open frontier situation. The Government in consultation with the industry is reviewing ways to improve Gibraltar's attractiveness and price competitiveness as a tourist resort. Consultants have been retained to assist in this review.

Another important sector of the economy which experienced a further decline in activity was the Port. The number of ships arriving at Gibraltar totalled 2710 compared with 2838 in 1980, a fall of around 5%. The total tonnage entering the Port also fell by 1.52 million tons, to 17.69 million tons (-8%). Calls by deep-sea vessels fell by 2% to 1533 in 1981. The number of containers landed fell slightly compared to 1980 from 3,447 to 3,227. Nevertheless we are reaching the estimated maximum numbers of containers landed of 4,000 and further reclamation at the Port may be necessary in the future. However this will depend on developments at the Dockyard and the possible over-land transportation of goods to Gibraltar through an open frontier.

Some improvement in the rationalisation of space and facilities has been achieved and there are a series of projects which are either under way or scheduled for an early start. The availability of the new container berth, the new look-out

tower, the refurbishing of the transit shed at Western Arm, the re-siting of the Port Department offices, the take-over of more space at Jetty No.4 and the planned reprovisioning of The Ice Box, are all important developments. Subject to the availability of development funds from HMG work should commence this year on the replacement of the Viaduct Bridge by a causeway. This will not only remove existing restrictions on general operations but will offer a better basis for future reclamation in the area.

Last year I underlined the importance which the Government attached to the development of Gibraltar as a finance centre. I can only re-emphasise this with the new impetus given to the need for diversifying the economy. The new telephone international direct-dialling project will be commissioned later this year and will provide one of the essential facilities for the promotion of financial activities. The new banking Bill has been published. When enacted it will establish and extend the legislative framework for Gibraltar's future financial base.

Banking activities in Gibraltar continue to develop. Commercial bank deposits rose by 28.8m (+11%) between December 1980 and December 1981, with time deposits remaining unchanged as a proportion of total deposits. During the same period, loans and advances increased by 26.7m (+23%). Deposits held at the Post Office Savings Bank continued to fall in real terms; they stood at 21.8m at the end of March 1982, the same level as in 1979 and 1980.

Despite the relative buoyancy of the economy and the state of the Government's finances at the time of the presentation of the 1981 April budget, Gibraltar has become increasingly exposed to the effects of recessionary pressures which continue to afflict western economies. The sharp decline in tourism, the rise in unemployment, particularly among young people, the fall in imports in certain sectors and the slow-down in building activity, are indicators of the way in which the general economic malaise is beginning to affect Gibraltar. The inevitable consequences are now being felt in the commercial sector where persistently high interest rates have exacerbated the depression in trade. Fortunately, disposable incomes increased, albeit marginally. With pay settlements based on UK rates averaging 7.1% and an inflation rate just below 10%, the Government's decision in the 1981 budget to make some concessions on direct taxation, whilst increasing municipal charges and rents, has in net terms had a broadly neutral effect on incomes.

The course of Gibraltar's economy and its future prospects could therefore conceivably have been seen against a predictable background of low but sustained growth in a

period of general recession. Following the defence review and Her Majesty's Government decision to close the Dockyard in 1983 the economy is now in danger of being forced into a new and more serious recessionary path. At best given time, understanding and pump priming these changes could lead to a long desired diversification of the economy and a brighter economic future. At worst it could lead to a collapse of the local economy with the loss of 1300 local jobs and a quarter of our national income. In my first budget speech in this House in 1980 I expressed confidence in the resilience and resourcefulness of the people of Gibraltar to face and overcome difficulties inherent in the then world recession. The threat and the challenge are now even greater but so is my confidence that Gibraltar will rise to whatever challenges may now lie ahead and build a better and more broadly based economy.

I now turn to a review of the Government's finances starting with a brief comment on the out-turn for 1980-81.

At this time last year the estimated Consolidated Fund Balance as at 31 March 1981 was £8,660,280; the actual balance on closing the accounts was £8,974,919 representing an improvement of £314,639. This arose almost entirely from an increased revenue yield on a number of items under departmental earnings the more important being £111,500 from philatelic sales, £110,900 from the currency note income account and £38,600 from hospital fees. For a number of reasons it is impracticable to ascertain the exact total yield from these items until some weeks after the end of the financial year. The revised estimates presented to the House in April cannot therefore be as precise as I would wish. In addition to these increases there was also a net profit of £30,390 from the management of the Consolidated Fund Investments Portfolio.

Total expenditure for the financial year 1980/81 was £36,479,117 falling short of the revised estimate by merely £2,883.

The approved estimates for 1981-82 projected a net working surplus of £1,164,400 after allowing for budgetary contributions amounting to £2,518,000 to the Electricity Undertaking Fund, the Potable Water Service Fund and the Housing Fund. Notwithstanding that it was necessary to increase the level of these contributions by £251,800 the revised estimated surplus for the year is £1,671,500 representing a net improvement of £507,100.

At £44,265,500 the revised estimate of revenue exceeds the original estimate by £583,000. There are a number of significant variations between the original and revised estimates for the year on three heads of revenue, namely, taxes on income, indirect taxation and interest.

Income tax revenue is expected to exceed the original estimate by £1.04m. The bulk of this increase arises from a higher than estimated yield from company tax and the self-employed together with some £400,000 from PAYE.

The revised estimated yield from indirect taxation is down by £1.1m. The possibility of the opening of the frontier coupled with the expectation of a consequential reduction in the level of import duties has led traders to defer imports for as long as possible. This is a complete departure from the normal pattern whereby traders usually import in substantial quantities just before a budget with the consequential increases in collection during the latter part of the financial year.

The third significant variation is under the Head 7 Interest where the yield from the Consolidated Fund Investments Portfolio is expected to exceed the original estimate by £438,000. This reflects the higher interest rates in the money market during the year and the growth in the Consolidated Fund Balance. To a more limited extent it also reflects the short-term availability of development finance acquired to meet the cost of capital projects which are funded either in whole or in part from local funds.

Revised estimated expenditure for 1981-82 is £42,594,000 or £75,900 more than originally estimated. Most Heads of Expenditure will exceed the original estimate mainly because of the cost of the 1981 pay settlement which was initially provided for separately under Head 27. No expenditure is actually charged to this Head: funds are vired from it to meet departmental requirements stemming from the pay settlement. The revised cost of the settlement is £200,000 less than estimated, but following a staff inspection the review of senior grades is still under consideration. Payment to these grades remains outstanding. The other significant saving was under Consolidated Fund Charges where the revised estimate is below the original estimate by £384,000. The rate of drawings on new loans for development raised during the year has been slower than projected. The cost of servicing these loans in 1981-82 had been estimated at £850,000; the revised figure is £486,673.

The major increases in expenditure were £192,700 and £59,100 for additional subsidies to the Potable Water Service and Housing Funds respectively; £216,100 to meet the cost of importing water and £136,500 for the Medical and Public Health Department where the original provision for personal emoluments had been underestimated.

We move into 1982-83 with a revised projected Consolidated Fund Balance of £10.65m; this is about £.8m more than estimated at this time last year. Notwithstanding this

improvement I would remind the House of my comments when presenting the 1981-82 budget regarding the actual value of the Consolidated Fund. The value of bills outstanding for the Funded Services at 31 March 1982 is estimated at some £3m. If we defer borrowing for new projects until towards the end of the financial year the amount of "Advances" to the Improvement and Development Fund from the Consolidated Fund at any one time could be in the region of £2-3m. Finally in the event of the threatened closure of HM Dockyard during 1983 the Consolidated Fund would need to bear the first brunt of reductions in revenue from both direct and indirect taxation and the cost of supplementary benefits once entitlement to Unemployment Benefits from the Social Insurance were exhausted. I am not arguing that a Consolidated Fund Balance of about £10m is just right for Gibraltar, but I do consider that the amount is by no means excessive given the calls likely to be made on it during the financial year.

Recurrent revenue for 1982-83 as shown in the draft estimates is £47.38m but the draft was produced when it was expected that frontier restrictions would be lifted on 20 April. In the light of the expected period of delay and after full consideration of all the relevant details it is the Government's view that an estimated yield of £7.09m from indirect taxation is now too high and that the figure should be reduced by £0.5m to £6.59m. This adjustment will convert the estimated surplus for the year of £7,300 as shown at page 5 of the draft estimates into a deficit of £492,700. The estimated Consolidated Fund Balance on 31 March 1983 is accordingly reduced to £10.15m.

Bearing this adjustment in mind estimated revenue exceeds estimated expenditure by £2.18m but there are uncovered deficits in the Electricity Undertaking Fund the Potable Water Service Fund and the Housing Fund amounting to £2.67m. The extent to which the Government will raise tariffs and rents to meet these deficits will be revealed by the Chief Minister in his opening address on the Finance Bill. In addition the estimated accumulated deficit at 31 March 1983 in the Telephone Service Fund is £332,500. This deficit will be carried forward. The introduction of IDD and the metering of calls will enable the service over a period to pay for itself and to absorb the accumulated deficit.

The pattern of revenue accruing to the Government remains unchanged. Taxes on income and indirect taxation account for some 51% of the projected total revenue yield in 1982.

The estimated yield from income tax is £18.5m. It is based on current figures and includes an element for the tentative 1982 pay settlement in the public and private sectors. As I explained at this time last year this estimate is normally

subject to fluctuation. Clearly any changes in the projected level of MOD expenditure during the current financial year could lead to significant variations in the figure.

As I have already explained the yield from indirect taxation is now estimated at £6.59m. The estimate is based on the 1981-82 out-turn and takes account of the effects of inflation on ad valorem duties. No account has been taken in these figures of changes in indirect revenue that might arise with an open frontier.

Other variations between the revised estimated yield for 1981-82 and the estimates for 1982-83 on other heads of revenue are relatively insignificant. I would nevertheless mention the increase from philatelic sales under departmental earnings - the estimated yield in 1982-83 is £800,000 an increase of some 21% over the revised figure of £658,000 for last financial year. The projected increase arises mainly from the new definitive issue already on sale.

Estimated expenditure for 1982-83 is £44.7m; this is £2.1m more than the revised estimate for 1981-82. No provision has been made at this stage for any subsidies towards the cost of running the funded services but provision has been made for the 1982 pay settlement. The sum of £1.6m provided for this settlement is once again a tentative estimate only; the actual cost will depend on the level of settlements in the United Kingdom.

The House should be aware that determined efforts have been made to control and contain the growth in expenditure. This was essential to ensure the Government's financial viability. With the cooperation of all Ministers and Heads of Departments it has proved possible to make reductions within the boundaries of departmental needs, standards and efficiency. No reductions were made in departmental bids which will endanger the level of employment or the basic level or standard of a particular service. Certain increases proved inevitable. For example, in the expectation of the opening of the frontier on 20 April staff increases were approved for Customs, Police and Labour and Social Security. However the most significant increase arises from statutory expenditure payable under Consolidated Fund charges. The estimated increase over the revised estimate for 1981-1982 is £2m. This arises almost entirely from the cost of servicing the public debt notwithstanding that given the policy of meeting the cost of locally funded development projects initially by drawing on the Consolidated Fund only a token provision of £1,000 is provided for new loans of £10m to be raised during the course of the year. The cost of this new borrowing in a full year on current interest rates will be some £1.6m over the first four years.

The financial operations of the funded services are summarised at Appendices A, B, C and D of the draft estimates.

The Electricity Undertaking Fund shows a revised estimated surplus of £135,900 on the 31st of March 1982; it received a budgetary contribution of £665,200 and was not expected to show any surplus on that date. The improvement arises from savings in estimated expenditure and a marginal increase in the value of bills issued. The projections for 1982-83 are less encouraging. Notwithstanding that the opening balance on the Fund at 1st April 1982, will be £135,900 there is a projected deficit of £746,800 at 31st March 1983. No provision has been made at this stage for a budgetary contribution from the Consolidated Fund. The estimated value of bills to be issued during the coming year is only about £70,000 higher (2%) than the comparative figure for 1981-82; the growth in estimated expenditure for the year is some 7%.

The Potable Water Service Fund has continued to operate at a substantial deficit. Notwithstanding the introduction of a surcharge of 7p per 100 litres to off-set part of the additional costs of importing water from the U.K. it was necessary to increase the budgetary contribution by £192,700 from £450,000 to £642,700 to avoid a deficit balance at the 31st March 1982. Total estimated expenditure chargeable to the Fund in 1982-83 will fall by about £220,000 compared to the revised estimated figure for 1981-82. Despite this reduction in expenditure the Fund is expected to show a deficit of £444,900 on 31st March 1983.

The Telephone Service Fund is estimated to carry forward a deficit of £182,700 on the 31st March 1982. The deficit will increase to £332,500 by the 31st March 1983. Although the initial revenue impact of metered calls is reflected in the accounts it is not sufficient to keep pace with rising costs. The Fund received no contribution from the Consolidated Fund last year when the Government announced its intention that with the introduction of metered calls the Fund would in the longer term become financially viable. In furtherance of this policy the deficit of £332,500 will be carried forward into 1983-84 and no budgetary contribution is proposed in the current year.

Total expenditure incurred by the Housing Fund in 1981-82 is expected to exceed the original estimate by only £35,000. This increase together with a slight fall in the value of the rent roll has had to be met by an additional contribution of £59,100 from the Consolidated Fund to avoid a deficit balance at 31st March 1982. Estimated expenditure for 1982-83 is £197,500 more than the revised estimate for 1981-82 but the value of the rent roll is also estimated to increase by some £184,000 without any budgetary contribution the Fund would show a deficit on the 31st March 1983 of £1,477,400.

The Fund is expected to show a deficit of £99,603 on 31st March 1982 compared with an originally estimated deficit of £178,331. It has received the proceeds of loans totalling £7.7m; supplier finance of some £5.3m and £2.9m from Development Aid Funds.

Projected expenditure during the current financial year is some £10.2m compared with a revised estimate of £14.8m last financial year. The 1978-81 development programme is almost complete and this year should have seen the start of a new major development programme which was put to HMG at the beginning of 1981. Instead it has been suggested by HMG that the new plan be appraised in the light of decisions on the future of the Dockyard. As the Honourable and Learned Chief Minister informed the House on 17th December the Gibraltar Government does not accept this linkage. As I mentioned earlier this morning when speaking about the construction industry, HMG itself is not prepared to go beyond provision of £4m for urgent projects needed to strengthen the economy until the outcome of the future of the Dockyard and proposals for the diversification of the economy are clearer. In sum, the Gibraltar Government is being required to reassess its development requirements. This it will not be able to do well into the second half of this calendar year.

The Minister for Economic Development and Trade will be speaking at some length on the projects which have been put forward to HMG for funding from development aid. I will confine my comments to the financial position.

The Government wishes to borrow up to £10m to cover expenditure on locally funded projects over the next two years. Of this amount some £2m would be from supplier finance; some £2m from internal resources by the issue of further tax free debentures and £6m by a commercial loan from the money market. Approval in principle to introduce legislation to cover this borrowing has been sought but has not yet been given. The House will recall that in the past I have recommended a conservative ratio of debt servicing to revenue of some 10%. The proposals for new borrowing and the consequential debt servicing costs have been examined against a number of scenarios. These took account of the impact on revenue of a closure of the Naval Dockyard. The projections assumed a budget loss of some £5m between 1982/83 and 1983/84 and thereafter varying rates of growth between 5% and 10% from the new base line. This was a prudent but pessimistic forecast; the actual reduction in revenue might not be quite as large.

On the most pessimistic scenario, the projected debt servicing ratio to revenue would rise to a peak of 15.9% in 1987-88 and to 13.2% in the same year on a more favourable assumption.

Thereafter, this ratio would fall even on the most pessimistic scenario to 10.9% in the following year. Potential lenders have examined our projections and are of a view that such borrowing would not take us beyond a prudential level in what is considered to be a basically sound economy. However, technical advisers to HMG have sought clarification on a number of points including future borrowing and revenue assumptions before taking a final view on our proposals. There has been some initial reluctance to accord the authority sought.

I can assure the House that in an uncertain economic situation and a delay on a new development programme caused by HMG's decision to close this modest extension of its borrowing powers to meet its most urgent requirements.

I wish to thank, Mr Speaker, all the members of my staff, Ministers, Heads of Departments and all those who have been involved in the preparation of the estimates now before the House for their invaluable help. This is no trite words of thanks at the end of what has been a long and difficult haul up to the budget. I really am conscious of the enormous help and support I have had in preparing for the budget from staff at all levels. Mr Speaker, Sir, I commend the motion to the House.

MR SPEAKER:

I will then now call on the Honourable and Learned the Chief Minister to make the Government's policy statement.

HON CHIEF MINISTER:

Once again the House is indebted to the Honourable Financial and Development Secretary for his clear and concise account of the state of the world economy and, in particular, of the economic situation in Britain and likely future prospects there. He has drawn special attention to the three major areas in United Kingdom economic policy which closely and directly affect Gibraltar, that is to say, defence spending, overseas aid and public sector pay.

Against this background which he has painted for us, and in the light also of other more local factors and conditions, the Government has concluded that the theme, or main planks, of this year's budget must be caution, prudence and consolidation in the face of many uncertainties. In presenting its budget proposals, the Government hopes that the Opposition will appreciate the realism and foresight which underlie them and will give them its support. The Government hopes too that the Opposition will support the efforts which the Government intends to continue to make in pursuance

of Gibraltar's future welfare and to which I shall refer later. I do not, of course, ask for a blank cheque but for a broad general consensus on the main thrust of our endeavours.

The considerations which have governed the shape of this budget do not rest on the merits or demerits of individual departmental bids on expenditure. Nor are they principally concerned with the annual balances on the recurrent budget and the size of the reserves in any given year. They extend further into areas such as fiscal policy, public expenditure control and the public debt over the next few years and how their interaction can secure financial stability and growth in line with wider economic objectives towards full employment. Rising living standards, development and growth.

Given the uncertainties posed by the defence review and the planned re-opening of the frontier, together with the lack of adequate development aid, it is important to consolidate the Government's financial position in 1982/83. The Government will not shirk its responsibility to maintain the level of economic activity and employment, as far as this is possible, even if it means higher taxation and higher borrowing. At the same time, the Government will continue to press HMG to maintain and fulfil its commitment to support and sustain Gibraltar and will also continue to press its view that there are two separate and distinct aspects of this matter. First, the development needs arising out of the cumulative effects of the Spanish restrictions and, second, the effects on the Dockyard of British Government defence policy.

The two major uncertainties which lie ahead are, of course, the future of the Dockyard and the re-opening of the frontier.

In so far as the Dockyard is concerned, this is the first time the House has met since the all-party delegation met British Government Ministers at the end of March. Furthermore, the Dockyard is the most crucial element in Gibraltar's economic future and must therefore colour all our thinking in this budget.

It is not for these two reasons that I consider it both appropriate and necessary to dwell on this matter for a while in this debate.

First of all, I should like to take this first opportunity in this House to thank all those representative bodies who joined with the three political parties represented in this House in the task of preparing and agreeing on the joint memorandum which was discussed with Foreign and Commonwealth Office and Ministry of Defence Ministers on 30 March. There exist, I know, different impressions of the discussion held on that day, but I have no doubt that some impact was made and that

this was due, on the one hand, to the soundness of our case - which, in effect, was simply to be given a fair chance - and, on the other hand, by the unanimous concern expressed in the memorandum by all sectors in Gibraltar which clearly helped to demonstrate and bring home the far-reaching and disastrous effects which would result, right across the board, if that fair chance were to be denied to us.

In the statement which we have just heard, the Financial and Development Secretary has, quite rightly, referred to the worst possible situation which could arise in Gibraltar if the Dockyard were to close in 1983, as planned, and if nothing else were to be put in its place. That is a potential situation which, particularly at budget time, we must keep very much in our minds and which must influence our economic policies and plans.

At the same time, it is our responsibility, as Gibraltar's elected leaders, to do everything in our power to avert that situation, and when I say 'our responsibility' I mean the responsibility of every Member of this House. In carrying it out we look forward to the continuing support of the representative bodies to which I have just referred, and, in particular, to the support of the Trade Union Movement whose cooperation is vital in our joint efforts to maintain a secure economic future. We must, I suggest, avoid the two extremes - one of demanding the maintenance of the Dockyard as it is at present, for ever and a day, the other the nihilistic answer that if we cannot have the first, then we have nothing at all.

I have no wish to raise hopes unduly high but it would be wrong not to point to some indicators of hope.

First and foremost, I reiterate the statement I made when I returned to Gibraltar on 6 April 1982 when I said that 'both the Lord Privy Seal and Mr Blaker demonstrated, though necessarily within limits, a willingness to be flexible and to ensure the smoothest possible transition and the avoidance of a gap which would not be in the interests of either Her Majesty's Government or Gibraltar'. The House will recall the close questioning by the Leader of the Opposition last year on a possible 'damaging hiatus'. I think we have made considerable progress in establishing this point, to his satisfaction as well as to mine.

No less important, in my view, are the recognition by the British Government of Gibraltar's deep concern and the relationship which has been established between us to work closely together to avoid, or at least to minimise, any ill-effects.

I would recall also the continuing widespread interest and support which Gibraltar enjoys among all its friends in both Houses of Parliament and which was again so evident at our last meeting with the British Gibraltar Group last month. During his recent visit Mr McQuarrie took a very special interest in this problem and will be reporting back to the Group. Honourable Members will have heard that, only on Tuesday of this week, Mr Richard Alexander, Conservative MP for Newark, asked a question about the possible postponement of the closure of the Dockyard and referred to the considerable anxiety which existed on both sides of the House of Commons on this issue. I think I can say, with full confidence, that Gibraltar can rely on the support of Parliament in any honest and reasonable effort to preserve its economic stability and its identity as a community.

One other possible ray of hope comes from indications, mainly in the British press, though the matter has of course also been raised in Parliament, that recent events might lead to a further review of British Government defence policy which might, in turn, affect Gibraltar. It is very early days yet and the British Government, is of course pre-occupied with the immediate emergency. Gibraltar's usefulness in that emergency, in terms of the airfield as well as of the Dockyard, will not, however, have gone unnoticed and this is something which, at the right time, we will pursue. I might add that I made a very brief reference, as early on as 5 April in London when I saw Mr Peter Blaker about Ministry of Defence lands, to the possibility of some change.

Finally, I think we would do well to recall the fact that seven serious bids are to be made for a possible future commercial use of the Dockyard. These bids, as the House knows, are due in no later than 31 May. Until then, there is no point in speculating about possible proposals and their implications in terms of employment, pay and general economic effects; but it is worth bearing in mind that there does exist a possibility if a possible alternative if all else fails. We must wait and see.

I should like, in this context, to refer to a recent Government initiative on the question of the Dockyard. On 27 April the Government asked the Gibraltar Trades Council whether it would consider preparing a detailed proposal which expanded on their suggestion of a future Dockyard role under Ministry of Defence management but undertaking commercial work. They replied that the Gibraltar Trades Council was willing to do so provided they could be assured that any such proposal would be given serious consideration by Her Majesty's Government, bearing in mind that they had previously been informed that, for policy reasons, this alternative could not be considered. The House should know that we are pursuing this and that it is the Government's intention to hold further

discussions with the Gibraltar Trades Council on this matter. It is the Government's belief that any proposal which might be helpful in maintaining our economic stability should be fully explored.

I should like, again at this first opportunity in this House, to express our appreciation of the excellent work carried out by the whole of the Dockyard work force in connection with the conversion of RMS 'Uganda' into a hospital ship for the Falkland Islands crisis, as well as of the expressed readiness of other workers in Gibraltar to lend their assistance in this task if required. This solidarity with the British Government's defence of the Islanders, with the services and, indeed, with the Islanders themselves is something Gibraltar can be proud of.

Sir, I turn now to the second major uncertainty facing Gibraltar which also has an effect on our thinking at budget time, not to mention the wider human and political effects. The Financial and Development Secretary has already referred to the financial effects and the effects on the trading community of the postponement of the re-opening of the frontier from 20 April.

During his recent brief visit to Gibraltar, Señor Ruperez of the Spanish Government Party was able to gather a very clear impression of the frustration and renewed sense of disillusion felt in many quarters in Gibraltar at the postponement. Even though many appreciated the circumstances in which this decision was taken, many also felt that, in the light of all the factors, much good would have been done if the re-opening of the frontier had gone ahead, with the talks at Sintra to follow as soon as possible. This was not to be and a new date of 25 June has been set. In my discussions with Señor Ruperez I expressed my views about the likely local effects if, for any reason, the re-opening were again to be deferred then.

The Financial and Development Secretary has dealt in detail, in his own statement, with the figures and with the main elements of the budget and I do not propose to go over the same ground again. There are, however, a few areas in which I should like to express some views.

The expenditure estimates presented by departments were scrutinised in depth to achieve reductions, where these did not affect employment or the basic standards of a particular service. Overtime levels are to be strictly controlled and contained to essential areas. It must be realised that the Government's wages and salaries bill is running at around £24m a year (this is 54% of total expenditure) of which some £4m relate to overtime and allowances etc. Exceptionally, this year, the Government has found it necessary to increase

employment levels in anticipation of an open frontier. The possibility of a shrinking revenue base, at a time when Gibraltar's public debt charges are rising sharply, could place an intolerable strain on the Government's finances and it is essential that reasonable steps are taken to prevent or mitigate this.

In so far as increased employment in connection with the re-opening of the frontier is concerned, the Government has recruited those numbers which, after careful study, it concluded would be required to provide the relevant public services. In doing so, the Government has made it clear that the additional appointments are temporary and subject to review after a time in the light of actual experience. It may be that in some areas we may require more than we have already engaged and in others less. The appropriate action will then be taken. What the Government clearly cannot do is to engage more staff, now, than it considers, as I say after careful study, will actually be required. The cost of the additional staff already taken on amounts in total to some £400,000 per annum, not to mention some £300,000 already spent in carrying out works in preparation for the re-opening. With the financial constraints already upon us, the uncertainties of the future and, in this context in particular, the likelihood that, at least initially, the economic effects of re-opening may well be adverse, the Government cannot agree to take on potentially surplus staff.

I must also make the point, in the context of a strict control of expenditure, that the Government cannot consider favourably any proposals, from whatever quarter, for unnecessary frills. I have had occasion in the past to make the point in this House that if money is to be spent it must first be raised. The Government and its financial advisers have given deep and careful thought to the estimates of expenditure. The contents of the Appropriation Bill will ensure the maintenance of essential public and social services. It would not be prudent to go further at this stage nor, in the course of the financial year, to agree to any additional expenditure other than that which can be clearly justified as being essential in the public interest.

The scope for raising or reducing revenue is severely constrained. At the same time it is fortunate that disposable incomes have continued to increase in real terms. The slowdown in inflation and last year's tax concessions have more than compensated for single figure pay settlements. With parity, pay awards this year are likely to remain in single figures and the Government is conscious of the need not to introduce budget measures which would place unduly heavy burdens on real income levels. But it is important to realise that, if Gibraltar is to continue enjoying self-sufficiency in power and water and to continue to maintain

a measure of development activity for the provision of more housing and other social services, then consumers and taxpayers must be prepared to meet the cost.

I fully realise the uncertain difficult situation in which trade finds itself, particularly with the delay in the opening of the frontier. But whilst seeking understanding from the Government in its attempts to resolve its problems, the commercial sector must make every endeavour to meet its commitments to the community's budget by not running high levels of arrears and by meeting their tax commitments on time and in full. The Financial and Development Secretary mentioned the figure of some £3m outstanding for funded services. Some half of this is owed by the commercial sector.

I must also appeal to the generality of the people of Gibraltar to invest in Gibraltar. There is known to be a high level of personal savings in the United Kingdom; savings on which, it would appear from the national accounts, full income tax is not being paid in Gibraltar. It is ironic to see this reverse aid flow from Gibraltar to the United Kingdom. Provided that the Government is given the borrowing powers it seeks, it is proposed later this year to launch a new tax-free debenture issue which I hope will appeal to those investors who have accustomed themselves improperly to not paying income tax on their Gilt Edge or other savings invested outside Gibraltar.

Last year the Government was showered with criticism about the level of reserves of some £10m. I hope that the importance of maintaining an adequate level is more fully understood this year. Moreover, with a level of arrears in the funded services of some £3m and temporary borrowing by the Improvement and Development Fund the liquidity position, even with the £10m reserve, is only adequate. No one can accuse Gibraltar of failing to face up to the economic problems it faces consequent on a serious world recession, a threatened closure of the Dockyard and a serious diminution in the amount of development aid provided by Her Majesty's Government.

I cannot hide my disappointment at the delay in decisions by Her Majesty's Government on development aid. The Financial and Development Secretary has underlined the reduction in planned expenditure on improvement and development in the current financial year. This reflects Her Majesty's Government's refusal to fund social development projects within the £4m development aid tranche provided for urgent projects. As I indicated earlier, the Gibraltar Government is of the view that the British Government's commitment to support and sustain Gibraltar stems essentially from the

effects of the Spanish restrictions which have prevented Gibraltar from pursuing its own social and other development projects as it did before the restrictions began. These effects are still very much with us and it is our intention to return to the charge on this issue at the appropriate time. Despite existing debt commitments the Government plans to borrow more within acceptable limits. And I am glad to note that would-be lenders have expressed their confidence in the stability of the Gibraltar economy and that they are prepared to lend us the amounts sought.

I have already congratulated those responsible in the Dockyard for their magnificent efforts in relation to the 'Uganda' and those who were ready to help if required. Those efforts show what can be done, through local skills, given the motivation. As the House knows, I have commented, I think probably each year on this occasion, on the need for improvements generally in levels of productivity. I have always acknowledged the efforts of those who work consistently hard but I have also condemned the failure of those who do not. In referring to the work done on the 'Uganda' I referred to the motivation. I hope it will be realised that there exists another, very real and very important, motivation for greater efforts in the future on the part of all of us. The motivation is twofold: our own economic future and the impression we can make on others on whom that future will partly depend and, secondly, the protection of the community as a whole, and of our identity, against unwanted external influences.

Sir, I hope the house as a whole will appreciate the Government's efforts to consolidate Gibraltar's finances in these difficult times and will also support the Government, broadly speaking, in the various areas to which I have referred and which are of such importance to our future economic stability and the overall good of Gibraltar as a whole.

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? Perhaps we should recess now for lunch.

The House recessed at 12.50 pm.

The House resumed at 3.30 pm.

HON G T RESTANO:

Sir, I have pleasure in rising on behalf of the Democratic Party of British Gibraltar to put forward our views on the

Gibraltar Estimates of Revenue and Expenditure for the year 1982/83 as disclosed in the estimates laid before this House earlier in this meeting. I would like on behalf of our party to put forward our views in general terms on the position of Gibraltar and of the economy as reflected by the draft estimates. No doubt my Honourable and Learned Leader will when winding-up the debate on behalf of the Opposition enlarge still further on the Opposition view point and my Honourable Friends on this side of the House will no doubt wish themselves to contribute with their own specialist views on the position.

On looking at the Financial Year of 1981 and 1982 in years to come this year will no doubt be regarded as one of the most crucial years in Gibraltar's history, a year which was over-shadowed by three major events one of which turned out to be the non-event of the year.

During this year the struggle of the people of Gibraltar to be First Class British Citizens, a struggle that has been fought with varying degrees of enthusiasm and vigour over some ten years ever since British Legislation discriminated against citizens of the Commonwealth through the Immigration Acts, was finally crowned with success in what was an exceptionally fine victory in the British Parliament. This success epitomised the marvellous and unstinted support given to the people of Gibraltar by Members of both the House of Commons and the House of Lords. We must never underestimate the strength and value of this victory and the comfort and encouragement that Gibraltar can draw from this support. As we review the year it would be right for us once more to express our gratitude to all those who helped in this success not forgetting all those many people who helped in the collection of signatures and supported the campaign.

Unfortunately all was not good news during the year under review and the announcement by the British Government that it had decided to close the Naval Dockyard at Gibraltar in 1983 was a cruel blow to the people of Gibraltar who depend so greatly on the Naval Dockyard as a mainstay to their economy and standards of living. This was a particularly sad day for Gibraltar and of course more especially to all those who have served loyally over the years the Naval Dockyard in Gibraltar.

The estimates of expenditure and revenue that we are now looking at would present a very gloomy picture if the closure was to take place during this coming financial year and we must not forget that if the decision to close the Dockyard is upheld and carried out on schedule we will be faced with this picture only twelve months hence. We of the DPBG are pleased and proud to have taken part in

presenting or seeking to present a united front on the part of the people of Gibraltar to the Dockyard closure. Much will happen between now and next year and many events will have an influence on what occurs but one thing is absolutely certain and that is that all elected members of this House of Assembly backed and supported by representative bodies must try and pull together to find a permanent and lasting solution to the economy of Gibraltar and to the employment problems that could result should the closure of the Dockyard be implemented.

The British Government have given assurances on assisting Gibraltar to find a viable alternative economy. We are all aware of the very serious problems that have to be faced and surmounted in finding a viable alternative. The alternative user of the Naval Dockyard is limited and possibly only to a commercial alternative. On this side of the House we still believe that the best solution to the problem would be the continuation of the Naval Dockyard and its operation in Gibraltar.

However that decision is in other hands and we believe that the only responsible reaction in Gibraltar to a final decision on the part of the British Government to close down the Dockyard is to seek to find that viable alternative of which so much is heard. We believe that it is the responsibility of the British Government as indeed of all of us to ensure that a viable alternative is available and that it succeeds. It is true that before a decision can be made about viable alternatives both the British and Gibraltar Governments will have to examine very closely the latest reports that will become available to these Governments from their advisors as well as the tenders or proposals that are put up to the Government at the end of the next month.

As any possible change from a Naval Dockyard to another activity is bound to be of profound importance to the future of Gibraltar we feel that both the British Government and the Gibraltar Government should invite the cooperation and participation of all elected members of this House in deciding the future use of the Dockyard and who should operate the same. In making this statement we must state that our first preference is for a continuation of the Naval Dockyard and it may be although it is by no means certain that Her Majesty's Government will as a result of the Falkland Islands crisis wish to review their defence policy and the effect this might have on the Naval Dockyard.

In this connection Mr Speaker I think this would be an appropriate moment for me to associate our political party and the elected members of our party in expressing our admiration and appreciation of the fine efforts put in by

the working people of Gibraltar in ensuring that the Uganda was made ready for service as a hospital ship over literally one week-end. We are quite sure that acts such as these by the working people of Gibraltar are much more likely to impress on the British Government and on British policy makers the importance and worth to the British Commonwealth of the Naval Dockyard of Gibraltar than acts of irresponsible trouble-makers.

During the traumatic times in which we are living we would wish to express the solidarity of the people of Gibraltar and of the members of our party with the British Government and British people over the Falkland Islands.

Mr Speaker in the Dockyard issue we believe that we must follow a positive and constructive policy which takes into account and takes full cognisance of British Government and Parliamentary support for the people of Gibraltar. We believe it would be wrong to look at the decision of the Dockyard closure outside the ambit of British Defence policy and try to insinuate that the Dockyard closure is a deliberate British Government move to undermine the will and determination of the people of Gibraltar to remain British.

If the decision to close the Dockyard is final and if the British Government is prepared, as appears to be the case, to find alternative means of supporting the economy of Gibraltar then we would ourselves have no hesitation in condemning any action that will lead to disruption and chaos in Gibraltar. We feel Mr Speaker that two heads are always better than one and that in forming the Gibraltar view on our response to the Dockyard closure we should all be willing to give and take and consider the views and attitudes of the whole of the people of Gibraltar as represented in this House.

We would sincerely hope that the Chamber of Commerce, Trade associations as indeed trade unions would work together with the elected leaders of the people of Gibraltar to present a united front. We cannot agree with the statement alleged to have been made by Mr Bossano that Britain's conduct in suggesting that the Dockyard should be offered to a commercial firm was tantamount to political blackmail. We consider that a solution to the problems that can be brought about by the closure of the Dockyard can only be found in a spirit of cooperation unity and constructive bargaining.

The non-event of the year although it occurred just after the end of the financial year Mr Speaker was the non-opening of the frontier on April 20th. On 8th January 1982 the Spanish Prime Minister announced that the frontier would be open on

April 20th yet the opening has not taken place. The reasons as to why the Spanish Government has postponed the opening of the frontier are open both to speculation and arguments and nothing useful I think is served by trying to analyse the position. One thing however is clear and that is that where Gibraltar is concerned the sensitivities of Spanish politics and international events are bound to have their effect.

One can only look at the new opening date of 25th June with some cynicism. If the opening of the frontier and the implementation of the Lisbon Agreement was meant to be the beginning of a new friendship and mutual understanding between Britain and Spain and the people of Gibraltar I am afraid it has not had a very auspicious start.

However the opening of the frontier or the lack of it has had I am afraid a very substantial effect on the estimates of Revenue and Expenditure in that it has involved the Gibraltar Government in extraordinary expenditure in connection with the opening of the frontier including the engagement of a number of additional officers which will have its effect on the budget.

Mr Speaker I think it is appropriate to move from the frontier problem to the estimates of revenue and expenditure for 1982/83.

In looking at the overall picture one should perhaps look at the position in the 1979/80 budget where the Government Estimates showed a substantial deficit for the ensuing year. In an exercise of frenzied alarm Government imposed extremely heavy taxation to right the position. The very substantial taxation measures taken in that year naturally had the effect as we predicted of producing a substantial surplus far in excess of the expectations of the Government. The substantial surplus was not due to good economic management but to the savage taxation measures that took place.

It could I suppose be argued that as at 31st March 1983 the position will be similar to that of March 1979/80 demanding remedial fiscal measures insofar as the working surplus will be a mere £7,300. However it must be borne in mind that with no further taxation the Government should still have as at 31st March 1983 a consolidated fund balance of £10,653,000. If one takes into account what we believe to be the position and that is that the Government is once more underestimating revenue especially where income tax is concerned then we believe that the picture shown by the financial statement put forward by the Government is one that in the present circumstances of Gibraltar would justify no further taxation measures until Gibraltar has adjusted itself to the expected open frontier.

Last year during the budget we gave the view that the Government was underestimating its revenue from income tax and we were proved right. The approved estimate for income tax was 16.8 million and the revised estimate has shown a figure of £17,840,000 and this represents an underestimation of 6.2% or 1.4 million pounds. It would not be unreasonable to us to suppose that a similar underestimation is being carried out during next year and this would result if correct in a reasonable surplus of around 1.4 million pounds. The Consolidated Fund balance is in a healthy position and we believe that the budget for 1982/83 should have measures designed to stimulate the economy in times of general recession in Gibraltar.

The Gibraltar Government despite some extraordinary expenditure during 1981/82 in connection with the opening of the frontier has taken on many more employees and has incurred reasonably heavy expenditure in capital works. Despite all this the Government expects a surplus as at 31st March 1982 of almost 1.7 million pounds against the estimate surplus of 1.17 million pounds. This shows surely that the people of Gibraltar continue to be overtaxed.

Bearing in mind the need to diversify and bearing in mind the need to help the development of the private sector in the economy we do not agree that the Government should propose further fiscal measures for 1982/83 and we will oppose such measures. We must not forget that the projected increase of salaries for 1982/83 of 1.6 million pounds and the similar increases that will occur in the private sector will have the inevitable result of putting people in higher tax scales and in these circumstances it does seem odd to us that the Government is only expecting an increase in revenue from income tax on the revised estimate of 1981/82 of a mere £700,000. There is clearly no necessity for more taxation and the Government should review its position next year when the effects of (possibly) an open frontier can be assessed. It is no good Mr Speaker the Government worrying just about their own economy and their own revenues and expenses and not about that of others and especially the private sector on which the Government is going to have to depend more heavily for its revenue.

As far as improvement and development is concerned we well appreciate the problems faced by Government in connection with British Government assistance and aid and we recognise the difficulties in forward planning that the Government has had to contend with in view of the delay in the implementation of the 1981/86 development programme which appears to be another non-event.

However we feel bound to say and express our concern that some projects are still outstanding from the 1978/81

development programme and that that programme will run on into 1982/83. Although there have been improvements in performance by the Government these delays are a shocking reflection on the inefficiency of the present administration.

We are surprised that the Government is planning to spend some £4 million less on development in 1982/83 than 1981/82. At a time when the private sector of the economy needs boosting and there is no better way of doing this than by development the Government has cut down on development expenditure by almost one third. This does not augur well for the future. Government has a development programme for 1981/86 of which two years will have gone with hardly any progress.

The least the Government could have done we feel in the Gibraltar estimates is to have put down the expected expenditure of each project and put down a token sum for each item. In this way the House could have discussed the development programme of the Government and argued as to what steps should be taken to implement it and whether it was a desirable development programme given the circumstances of Gibraltar. The Government has not chosen to do this and consequently we are unable to discuss with any positive contribution the future of development in Gibraltar and the future economic activity that Gibraltar obviously requires if it is to make progress.

On revenue we feel that Government should give serious consideration to a changeover from the present system of levying import duties on goods to a system based on VAT or a sales tax. We know there are difficulties in the implementation of such a system but we believe that revenues could substantially increase by such a system. It would encourage higher importation of goods into Gibraltar, more competitiveness in prices, and eventually more revenues to the Government. We put this over as a suggestion because we feel that the present system of import duties is not working satisfactorily and not raising the revenue that we feel it ought to raise.

Individual members of the Opposition will be making comments on departments in respect of which they exercise shadow responsibilities but looking at the picture broadly I think it appropriate to make comments.

The audit vote does not show what I understand has occurred that is the downgrading of the post of Principal Auditor. I notice he is still listed as a Grade 4 post. I hope that is the correct position now because we do not consider it right that the post of auditor should be downgraded. It is important that the auditor should be a top civil servant because the nature of his responsibilities requires him to

question heads of departments. In this connection we would also wish to mention that we consider it wrong that companies or corporations subsidised by the Government do no longer need to have their accounts audited by the Principal Auditor. It is our view that where public monies are concerned as a result of subsidy or loan the Principal Auditor should have an obligation to examine the accounts of such companies and in the case of companies receiving heavy subsidies from the Government such as the Gibraltar Broadcasting Corporation or the Sand Quarry Company the accounts should be the responsibility of the Principal Auditor.

We have noticed that in the Police, Customs, and Labour and Social Security Departments substantial public funds are being committed under the vote of Personal Emoluments in respect of additional staff taken on. We observe with some alarm that in the cases of these three departments the additional staff taken on have been taken on to the permanent establishment and the establishment has accordingly been increased. We wonder whether this is a wise way to proceed. We should have thought that it would have been wiser to take on temporary staff until the situation following the opening of the frontier became clear.

At that particular point of time the establishments concerned could have been increased or the temporary staff made permanent. We wonder what the Government is going to do if the frontier does not open and these departments have staff that they do not require. What will the Government do in that situation? Clearly the staff was not required in a closed frontier situation. We would be interested to hear the Government's comments on these points.

In Education we are concerned with the way this department has become the poor relation of Government departments. We wonder whether general standards and objectives will suffer as a result of the Government policy on education. We notice that on the subject of books and equipment the Government continues to be ungenerous. We raised this point in connection with the estimates of 1979/80 and again in the estimates of 1980/81 and again last year. The Government have always stated that this vote is sufficient for the purposes of the department. I notice however that in the revised estimates for 1980/81 and 1981/82 the Government has clearly conceded that it has not provided sufficient expenditure in these items and this can be seen from the revised estimates where in the case of each year the Government has spent much more than the amount approved. It is interesting to note that the revised estimated expenditure for books and equipment in 1981/82 was £180,000 or £25,000 more than the approved estimate yet for 1982/83 the Government estimates expenditure of £170,000, £10,000 less

than for the current year. Is this realistic? Or is it that Government is not seriously concerned about maintaining educational standards and developing the tremendous possibilities for our youth in education.

We were shocked by the report of the committee on the Bayside Comprehensive School from which it appears that cleaners throughout the Department of Education are being paid for four hours work but only in fact doing one and a half hours. Whilst it is possible to conceive that work for which four hours are scheduled can be done in three and a half hours or in three hours it is difficult to believe that it can be done in one and a half hours.

It is quite clear that as a result of the Government refusing to give overtime to the caretakers of schools resulting in the cleaners only working one and a half hours that the standard of cleanliness throughout the schools has suffered considerably from this. We expect the Government to ensure that the standard of cleanliness in the schools is maintained at a high level and that if necessary caretakers are asked to stay on after 6.00 p.m. in order to ensure that the cleaners are able to do their job properly.

We notice that in the Education Department wages alone account for one third of the item "other charges" of £140,500.

Although the increase in the amount allowed for scholarships is substantial we still believe that the aim in education should be to allow every young person who obtains a place in a University or College of further education to pursue his studies after leaving school. We are conscious that such a policy is bound to cause a very heavy drain on our resources but we feel that serious consideration should be given to the manner in which scholarships are awarded and to the basis on which means tests are carried out with a view to ensuring the achievement of what should be a major educational aim of ensuring that all those who can benefit from further education by having secured a place at a University or at a College of further education may do so.

On the funded services it is odd to say the least that the housing subsidy is to rise by £15,500 representing an increase of 1.1% that the subvention to the Potable Water Fund is in fact reduced by no less than £179,800 representing a drop of 30.8% but that on the other hand the Electricity Undertaking requires an added subsidy of £81,600 representing 12.2%. It would appear therefore that the element of cost consciousness applied to housing and potable water services is not present where the electricity undertaking is concerned.

It seems that instead of having a substantial reduction in expenditure on the electricity undertaking resulting from the acquisition at great capital of a new Power Station and extra plant which should result in extra output and reduced costs due to new equipment and the reduced use of old machinery we are nevertheless faced with the fact that at the end of the day more money still has to be poured into this undertaking.

This is an extraordinary situation and it seems that the Government in its forced haste resulting from their refusal to do proper planning where power is concerned have done absolutely no homework or planning as to how the two Generating Stations are to be run simultaneously and at least cost. Clearly from these figures it appears that the Government has no real plans for the running of the station. Perhaps the Minister representing the Government and Mr Bossano representing the unions will illuminate us on this point.

We are surprised Sir that there is only a token vote of £100,000 for the new Power Station. How does the Government explain this? Surely they should have a more accurate idea since the first set should be operational in May or June?

We feel bound to say that on the question of power our party has for many years seriously questioned the competence of the Gibraltar Government to deal with the power station in Gibraltar. We have to congratulate the Government, I suppose, for having at long last taken measures to increase the generating capacity of Gibraltar in 1982. We are not forgetful of the fact that Preece Cardew and Rider the Government consultants recommended in their report of 1976 that there should be increased generating capacity in Gibraltar by 1979/80. Government was told what was required by experts to whom they paid substantial sums but chose to ignore their advice. As a result we know only too well the years of power cuts and inconvenience to which the people of Gibraltar have been subjected as a result of the refusal of the GLP/AACR to take the advice of Preece Cardew and Rider given in their report in 1976.

I know that this is a very sensitive area in Government circles and this is proved by the fact that in 1982 the Government still refuses to disclose or make available to the Opposition the famous report of 1976 of Preece Cardew and Rider. The Government knows that a great misjudgement was committed and Gibraltar as a result was plunged into darkness on too many occasions between 1978 and 1981.

Yet, Mr Speaker the Chief Minister continued to be Chief Minister the Minister for Municipal Services continued to be Minister responsible for that department and various

Senior Officials of the department continued to smile on the suffering public of Gibraltar. That is the situation but would those smiles continue Mr Speaker if the Preece Cardew and Rider report was made public and the Opposition was allowed to question the Government on their disgraceful failure to follow the recommendations. Of course not.

We asked for a public enquiry, one that was independent and which made available to the public all the facts. Instead the Government opted for a private enquiry headed by an ex-deputy Governor of Gibraltar with advisors from the United Kingdom. The Government has given these gentlemen access to the Preece Cardew and Rider Report but members of the Opposition are still deprived from seeing it. This clear discrimination on the part of Government makes it impossible for our party to assist or give evidence to the private committee of enquiry or cooperate with it in any way.

We hope, however, that they will read everything we have said in the House and follow up every question we have made on the subject and the debates that we have initiated. Really Mr Speaker there is no need for us to give evidence to the enquiry. It is there in the records of Hansard and we shall see from the report of the enquiry whether they have read these reports and given due weight to them.

Mr Speaker, we are surprised to read in the estimates of the downgrading of the post of Deputy Chief Fire Officer and wonder why this has been found necessary. The Minister for Municipal Services has introduced a law during this year regarding fire extinguishers and giving the Government extensive powers to compel the landlords and/or tenants to have fire extinguishers in their homes at their own expense whilst the Government out of public funds has provided all their tenants with fire extinguishers free of charge.

The Government is creating a society of two nations in Gibraltar and one day that society will explode in their face. But why downgrade the post of Deputy Chief Fire Officer at a time when the Fire Services are having their responsibilities considerably increased. Can the Minister confirm to this House that no extra staff will be required by the Fire Services to advise the general public and commercial enterprises in regard to fire extinguishers? Will the Fire Service be able to provide the maintenance which the Minister has promised in respect of fire extinguishers free of charge? Finally can the Minister inform the House when he proposes to implement the law and make compulsory the provision of fire extinguishers which he considers so essential? I doubt very much whether the Minister has the strength the will or the confidence of his colleagues to implement these measures.

We are slightly dismayed Mr Speaker to read in the House of Assembly Head the Government proposes to spend less money this year on the activities of the Commonwealth Parliamentary Association in Gibraltar. The revised estimate for 1981/82 was £19,000 and the estimate for 1982/83 is to be £12,000. I recognise that there has been a regional conference in Gibraltar and that this will not be repeated during the next year but we cannot stress too much the importance of having as many members of the Commonwealth Parliamentary Association especially from the United Kingdom Branch visiting us in Gibraltar. The links between Gibraltar and London are strong, must be maintained and if possible increased. We have agreed to confer the Honorary Freedom of the City on the British Gibraltar Group in Parliament and we must cement as much as possible this link. Accordingly Mr Speaker in the days that lie ahead it will be more and more important to invite and encourage visits to Gibraltar by members of the United Kingdom Branch of the Commonwealth Parliamentary Association and from other branches. I was very interested to read a debate recently held in the Parliament of Canada in which the need to support Gibraltar was raised. I think this House must be grateful to the efforts of my Honourable and Learned friend Mr Haynes during his recent Parliamentary visit to London in which he seems to have persuaded our Canadian friends from the Commonwealth Parliamentary Association that Gibraltar merited debate in the Parliament.

We hope accordingly that the Government will increase this vote so as to encourage invitations as much as possible to other branches of the Commonwealth Parliamentary Association to visit us in Gibraltar. And whilst on the subject of the House of Assembly we would like to commend Mr Speaker the way and manner in which your clerk and your small staff perform and discharge their duties to this House especially with the speedy production of Hansard Reports and the servicing of committees and we wonder whether with the increasing responsibilities and the increasing importance of this vote provision should not be made for additional staff in your department.

Mr Speaker we have heard much argument in this House in relation to housing and we are very much concerned that in the new development programme there is only provision for Phase 2 of the Rosia Dale scheme and that Government Schemes for new housing seem to be drying up rapidly. We recognise the problems of housing in Gibraltar but we do not believe that these are being tackled with the vision and ambition required in order to break the back of a serious housing problem that Gibraltar is faced with. The Government should lay before the House a realistic and ambitious programme for housing and allow people to see how the Government views the future in this field.

Under Head 11 Labour and Social Security we welcome what would appear to be an extension to the programme of industrial training. The Government proposes almost to double this vote and we welcome any additional expenditure that will provide increased training for our young not only under this Head but as I have already mentioned previously in further education.

We are however most disappointed that the Government still persists in its obstinate resolution to continue to tax those persons in receipt of Elderly Persons Pensions in respect of the income received from those pensions. It is socially unjust and morally reprehensible that persons in receipt of Government pensions under the Social Insurance Scheme or under the Retirement Pensions Scheme should receive those pensions free of tax and that persons in receipt of Elderly Persons Pensions which are much lower should be obliged to pay tax on them. The inequality and injustice of this cries for remedial action but the Government stubbornly refuses to take such action mainly we believe because the Minister for Economic Development when he was Minister for Labour and Social Security obstinately refused this and the Government has not got the strength or will power to overrule the Minister for Economic Development.

With regard to Head 12 Lands and Surveys and indeed Head 12 Public Works we are of the view that there is a need to reorganise and restructure the Departments of Housing, Lands and Survey and Public Works into one large department. Only in this way do we believe that all the technical skills available in those departments can be streamlined into one single efficient department. Such a department could be headed by a Senior Minister who would be assisted by a Junior Minister. I am sure my Honourable and Learned friend Mr Haynes will have a lot more to say about this.

Meanwhile we would wish to disassociate from Government policy in relation to the Land Board. In a small place like Gibraltar it is totally wrong that two part-time politicians who are also Ministers should decide important issues as to tenders and as to decisions to allocate land and other property in Gibraltar. The dangers of vesting such powers in Ministers are too obvious to enumerate.

Turning now to the Medical Services it would be wrong for me when dealing with this department if I were not to say and suggest a vote of thanks and gratitude to all the staff in general of the Medical Department but more particularly to the nursing staff for their dedication and efficiency in their work and for their sympathy and cheerfulness at all times in their relations with patients.

Having said that I wonder whether Government is satisfied that St Bernard's Hospital is provided with the adequate and modern equipment required today in a modern hospital. One small point in this department that I would like to raise and that relates to the private corridor. I understand that the patients in the Group Practice Medical Scheme are not allowed to have access to private rooms in the hospital even though they may be willing to pay for the costs of the same. It seems that these are only available to patients who are being treated on a private basis by doctors or very sick patients in GPMS who require to have a private room or when no other beds are available. It seems to us that if patients are prepared to pay the fees for the private corridor they should be allowed to take rooms in this corridor whether they are being treated as private patients in the hospital or not and we would welcome any statement from the Minister in this respect.

With regard to Head 17 Post Office I would like to express our very great concern and I am sure the very great concern of a great number of people of Gibraltar at the delay there appears to be in the conveyance of mail to Gibraltar. People are getting used to the fact that it takes over five days for mail posted in England to reach Gibraltar. Mail seems to be left behind on too many occasions or the British Post Office fail to deliver it to the planes. A very thorough investigation is required as to why the mail service to Gibraltar is so poor. What is the Government doing about it? If Gibraltar is to develop as a finance centre or indeed as a commercial centre of any size, efficiency in communications is highly important and we just do not see any concern on the part of the Government in this respect.

We recognise that the Acting Minister for the Post Office has many responsibilities but this should be a matter of the highest priority as indeed, Mr Speaker, the provision of efficient service as the Post Office itself. The public get a raw deal in the Post Office and the Government should put this right.

On this side of the House we have complained year in year out at the drop in receipts or profits of the Post Office Savings Bank. The approved estimate of surplus during 1981/82 was £200,000 yet the revised estimate is only £50,000 and the estimate for 1982/83 is only £100,000. The Post Office Savings Bank will go out of business because the Government has not taken a realistic view in the role of this service to the public. It is absurd to relate the interest rates in the Post Office to local deposit rates because most people will put their money on sterling deposits which offer much higher rates of interest. The Government has no negotiable securities on the market of any

size and we believe that the Post Office Savings Bank should offer higher rates of interest to depositors who agree to keep their money for a term of, say, three months or six months or even twelve months.

A little competition for the banks would not be out of place and we urge the Government to look into this question with more realism and enterprise than they have done to date.

Mr Speaker, when looking at the Public Works Department we can only open our mouths in disbelief at the size of the expenditure of this department. No doubt my Honourable friend Mr Scott will wish to comment on this but we cannot understand how expenditure in this department and staffing increases year by year without any visible and proportionate increase in output. The technical staffing of the department continues to increase. We can remember the Chief Minister in 1978 informing the House that the department now had the necessary staff to embark on the development programme and to complete it by 1981. In fact the staff has been increased every year since then and the development programme of 1978/81 is still incomplete. There is more staffing this year but the Government will spend only one third less than last year on development. What is the reason for all this, does the Government think that it can continue to increase staff without correspondingly increasing output? This is a major department that must cause concern to anybody who worries about the economic stability of Gibraltar.

Mr Speaker, with regard to the Head dealing with recreation and sport we can only smile at the appearance for the third year running of the item in the revenue head of Victoria Stadium receipts at £14,000. The Minister has repeatedly stated in this House categorically that charges will be introduced in the current year but then, Mr Speaker, he has neither the strength nor apparently the power to implement them, thank goodness for that. The lack of respect in the sporting world for the Minister shows that the time is right to move him to other places. His failure to implement charges illustrates in our view very strongly the need to have the Victoria Stadium run by an independent body chosen by those who participate in sport with a fixed subvention from Government.

Only in this way we have sport on a proper footing in Gibraltar and the tax payer not be subjected to pay such a high bill for salaries and wages. The public service is not trained or capable or adept to run a sports stadium. Given to an independent body with a fixed Government subvention we are quite sure they would be able to run it more efficiently more cheaply and more for the benefit of those who use the facilities. Government should have a hard look at this situation.

Mr Speaker, I could hardly conclude my address on the estimates without making a mention of the Telephone Service. Gibraltar will have International Direct Dialling during this current year and again I suppose I should congratulate Government for having introduced automatic dialling some six years after I raised the matter in this House. But again it is better late than never and we look forward to Gibraltar having International Direct Dialling even though it comes some considerable time after all other European territories have it. There is, however, a most important point of principle that we in the Opposition wish to raise on this. Provision has been made in the estimates for charging for local calls. We will oppose this. In Gibraltar it is part of our way of life to use the telephone to call our parents, our children, our cousins and whatever at all times of the day. This is just part of our way of life and we do not think it is necessary for the Government to obtain huge revenue by charging for local calls without first ensuring that the department becomes completely effective and economic. We do not agree that people should be charged for local calls in Gibraltar.

The estimates for revenue and expenditure for this department would indicate that there is no need for charging for local calls and that by streamlining their operations and efficiency the department should be able comfortably to carry out and perform its functions without the need to raise additional revenue. International Direct Dialling is bound to raise the revenue of the department to a marked extent and we urge the Government to reconsider its decision to charge for local calls.

In this department we think it is vital that the Government should proceed full speed ahead to modernise the infrastructure of new telephone lines. Fortunately, Mr Speaker, as far as this department is concerned we do not have the rain in Gibraltar that they have in other parts of the world otherwise our telephones would be out of order for most of the year. Despite continued statements from the Minister for the renewal of telephone lines every time it rains more and more telephones go out of order and we would certainly like to hear the statement and assurance from the Minister as to when this situation will stop.

The estimates for expenditure for the tourist department do not appear to reflect the increasing importance of this department in our community as indeed in our economy. I would certainly like to hear from the acting Minister for Tourism what plans his department has in view of the impending opening of the frontier to ensure that Tourists that come to Gibraltar are properly catered for and to expand the activities of this department in this most

important sector of our economy. We would also like to see the responsibilities of the London Tourist Office extended. It is clearly underutilised and we look forward to hearing the Minister's statement of policy in this respect.

Mr Speaker, I would like to turn to the Gibraltar Broadcasting Corporation and the subsidy paid by the Government to this Corporation. It is our view that the Gibraltar Broadcasting Corporation should be independent and should receive a fixed subsidy from the Government. The Corporation appears to be oversubsidised. It appears from the accounts recently laid before the House that the Corporation had an accumulated surplus at the 31st March, 1981 of £460,345. We wonder why it should continue to be so heavily subsidised. Certainly we would welcome explanations in this respect.

We cannot leave the subject of the Gibraltar Broadcasting Corporation without making mention of the policy of the Corporation to permit advertising in Spanish of Spanish products by Spanish companies. We do not subscribe to the view that Gibraltar Broadcasting Corporation should allow advertising which is obviously subsidised by the Gibraltar Government to be enjoyed by companies outside Gibraltar. If the tax payer is in effect paying for the advertising because of its big subsidies to the Corporation then the Corporation should take account of the feelings of a great number of people in Gibraltar in relation to this. One of the big justifications for the Gibraltar Broadcasting Corporation is its function in relation to the British Gibraltarian identity of the people. It must never forget this.

Mr Speaker, I have attempted during this address to paint a broad picture of how we in the Democratic Party of British Gibraltar view the estimates of expenditure 1982/83 against the background of the political, sociological, and economic situation of Gibraltar. We are trying to be constructive in our criticism of the Government of its policy but in making these criticisms we still very much adhere to the principle that in the most difficult period through which Gibraltar is passing it is essential and vital to maintain a real unity of approach by the elected members of the House and indeed the whole of Gibraltar in the really serious problems that face our community.

We feel that incalculable harm could be done to the cause of Gibraltar if any individual or any elected member of this House should seek to gain advantage and political kudos out of the real difficulties that we in Gibraltar face. We hope that in this appeal for unity we have the support of the governing party as well as of Mr Bossano and his GSLP who I am sorry to say tend to pay only lip service to the essential need for unity in our struggles.

HON A J CANEPA:

Mr Speaker, for the third year on the trot we have had the old bogey brought up about the Government having overtaxed the people as a result of the position in the Consolidated Fund revealed by the 1979/80 Estimates. What has been very conveniently forgotten by the Honourable Member who has just spoken, is that his own Leader described the balance in the 1979/80 Estimates, the balance in the Consolidated Fund, as being one equivalent to five days working capital whereas the position now when there are £10m as a balance in the Consolidated Fund, is totally different in that this is equivalent to about 3 month's working capital and if the position is relatively healthy today compared to what it was in 1979/80, then I think it should not be forgotten that the potents are not that healthy and we do not really know what lies round the corner though the indications are that Gibraltar is not going to be in for a very easy time. Two years ago the Honourable Members opposite got it wrong about the benefits that the opening of the frontier as a result of the Lisbon Agreement were going to bring Gibraltar and about all the revenue that would come flowing into the Government coffers, because the frontier did not open and who is to say they are not going to get it wrong again. It remains to be seen what is going to happen on or after the 25th of June and in the meantime we on this side of the House are sitting tight. Twice bitten, Mr Speaker, we are not going to be caught out again. What may happen as a result of the opening of the frontier, the indications are it is thought that in the short term it is not going to be such a bonanza. In the long term it could well turn out to be nothing more than a bonus that may only partly offset the effects of the Defence Review so we cannot really look upon that as something that is going to be the panacea for all of Gibraltar's ills. I do not know why the Honourable Member is so surprised that prospects should run over from one Development Programme to the other, they are intended to run from one into the other. The projects that were put into the 1978/79 programme were not intended to be completed during the three years. Some of them started in the second or in the third year of that programme and it was known that they would carry over just as in the same way we have had in the aid submission on the 1981/86 programme a number of projects which were also intended to be started in the third, in the fourth and in the fifth year and would not have been completed by 1986, they were never intended to be completed. For instance, the Prison was earmarked to start in the fifth year of the programme and carrying on for another two or three years. He has criticised the Government for not having put down a number of the projects in the 1981/86 programme, for not having given an estimate of their cost and made token provision. Well, if we did just that, Mr Speaker, if we made

token provision and in the event we were not able for reasons outside our control to go ahead with those projects, then no doubt next year we would be lambasted for not going ahead. The reality of the matter as far as the Development Programme is concerned, is that we do not yet know where we are going and unpalatable as that might be it is a fact of life. We know where we would like to go but that is another matter altogether. I do not think the Honourable Member this morning either heard the Chief Minister and not having heard him he certainly did not read during the lunch break the Chief Minister's speech because he is under the impression that the staff that we are employing in connection to meet the requirements of the opening of the frontier is permanent staff. It is not permanent staff, it is temporary staff and I think that the Chief Minister then went on to say that those staffing requirements would be subject to review. He was shocked at the position revealed in the Report of the Inquiry on Bayside Comprehensive School about the cleaners, that they are paid for four hours and only do an hour and a half. That is the position, Mr Speaker, which we have had in Gibraltar for at least twenty years, that was the position when I started teaching in 1963. It was the position between 1965 and 1969 when the Honourable the Leader of the Opposition was Minister for Education and he did not do anything about it. The schools in Gibraltar, Mr Speaker, by and large, are clean, they are well up to standard. I am not aware that there are complaints about the state of the schools. Responsibility for ensuring that the schools are clean lies with the Headteacher who, by and large, delegates that responsibility to the caretaker and from time immemorial the arrangement has been that provided the Headteacher is satisfied with the state of general cleanliness of the school, then the fact that the cleaners concerned may go home after an hour and a half or two does not make any difference, it has been regarded as a kind of productivity arrangement and the criterion is that the schools should be clean to the satisfaction of the Headteacher and if there are sixteen or seventeen schools in Gibraltar I think that the position is that they are clean and we have had this rather difficult and awkward exception of the Boys' Comprehensive School. I do not see, Mr Speaker, how the level of expenditure which is established in one particular year in one particular vote or in one particular item can become the baseline for future years when the reasons for that particular level of expenditure are well known such as in the case of the CPA Regional Conference. I do not know how much that cost, I imagine it must have been £5,000/£6,000, perhaps of that order. It does not follow that if you had to make provision last year, that kind of provision, you are going to retain that sum of money this year. We have had recently Sir Nigel Fisher coming here on the CPA ticket. Mr McQuarrie has come on the CPA ticket and last January the Chief Minister invited the United Kingdom Branch of the CPA to nominate a

delegation and we want a delegation to come and we will pay for that delegation's expenses. If the provision in the estimates is not enough then we will come to the House for a supplementary. We are also inviting Members of the European Parliament to come here but if we were to allow that principle which inadvertently the Honourable Member is advocating, we would be accused of over expenditure, we would be accused of inflating estimates. Although it is not entirely relevant to the budget and to the estimates, I am not going to leave unanswered the point that he made about the Land Board, something that came in the earlier part of this meeting. I take full responsibility for what the Government is doing as I know that I can and will be objective in dealing with these tenders and I am prepared to be judged on the result of that in two years' time. The trouble with Honourable Members opposite or with some of them is that perhaps they think that we are doing what they perhaps would do if they were in that position. If that is not the case then you should not ascribe such devious, dishonourable or political motives in the manner in which we conduct our business. He spoke of Housing, that the Government should lay before the House a realistic and ambitious programme for housing. I have become myself increasingly involved with housing in the last two years. We hold regular meetings of the Forward Planning Committee which I Chair, which my colleague Mr Zammitt and my colleague Mr Featherstone attend; we had a meeting only yesterday morning to consider housing policy, to consider what within the present restraints we can do to meet the problem but I do not think it is responsible, Mr Speaker, to stand up in the House and to talk of a programme which Mr Haynes also spoke of when moving a motion on housing when he said, I think, that to deal with the problem the Government needs to build another Varyl Begg Estate or at least I think he meant not another Varyl Begg Estate with the same problems but a similar number of houses, 700 houses, which at only £40,000 per unit would be of the order of £30m. What I think is irresponsible is not to give some indication as to how that ambitious programme should be financed. Is it from ODA? Should we go to ODA for the money for that housing programme when we have just been told that we cannot have slightly over £1m for Rosia Dale? Should we borrow, when Her Majesty's Government have not yet given the green light for us to have increased borrowing powers even for the relatively meagre provision, and I say relatively meagre provision, of £10m in the I & D programme compared to the £16m of last year. We would have liked to have seen much more money at this junction in Gibraltar's affairs in the Improvement and Development Fund. Well, where do we pay it from then, from the Consolidated Fund where there is only £10m and £3m is owed? Where do we pay for that ambitious programme? Do we tax the people in order to try and find the money when we are accused of overtaxing people? Really, Mr Speaker,

that is just playing at politics, nothing more, it is playing to the gallery and the Honourable Member thinks that they have a weapon because housing remains the most serious problem that Gibraltar has, they think that they can make political capital in the short term because if the logical effect of that were to be that they were to get into office they would find that they would not be able to lay before the House the ambitious programme that he glibly speaks of. When I addressed the House last year, Mr Speaker at this time, I made the point that the process of economic development should not concern exclusively with the planning, execution and performance of a series of projects forming a development programme. I extended my analysis by attaching the utmost importance to the coordination of the Government's fiscal, borrowing and general economic policies with the development strategy. This strategy was aimed at directing development expenditure towards those areas which are central to our economy, particularly the infrastructure, and those which are central to our priority social needs, notably and essentially, housing. It also embraced the parallel consideration of promoting investment in the private sector. This concept, Mr Speaker, has assumed a new and crucial direction particularly when viewed against the background of events which have been affecting Gibraltar during the last twelve months. There can be no doubt, Mr Speaker, that with the likely impact of the Defence Review and the expected opening of the frontier, the course of Gibraltar's economic development reaches its most crucial stage in post-war history. At the same time the protracted delay on the part of Her Majesty's Government in agreeing to aid talks on the 1984/86 Development Programme - I think we are rapidly going to have to call it the 1983/88 programme at this rate - has seriously affected progress on this new development plan. The conditions which have been placed on the allocation of the £4m aid tranche for urgent projects are also inhibiting and they represent a regrettable feature of the support and sustain policy towards Gibraltar. Mr Speaker, I propose to discuss each of these things in turn but will first of all comment on the most important issue before us, the future of the Dockyard. I need hardly go into the figures which underline the consequences of Dockyard closure. No one can dispute the disastrous consequences for our economy and for our social well-being if the Dockyard were to close with no viable alternative economic activity to replace it. Those who believe or who propagate the view that the opening of the frontier can or will substitute the level of income, unemployment generated by Dockyard activity are mistaken but let no one run away with the idea that that view is not being propagated because it has been propagated in talks which the Gibraltar Government has had, I am sorry to say.

HON J BOSSANO:

Mr Speaker, has it been propagated by anybody in Gibraltar?

HON A J CANEPA:

No, from outside Gibraltar. Those who believe or who claim that Gibraltar will now have to pay the price of an undue over-reliance on the Dockyard economy are misguided. The Dockyard has been the mainstay of our economy and if closure of the ship repairing facility is irreversible, alternative activity there will continue to be fundamental to the economic base of Gibraltar. In the past the scope for diversifying the Gibraltar economy has been extremely limited particularly in a closed frontier situation and although an open frontier would conceivably widen the opportunities for diversification, it may not necessarily provide a major and secure contribution to the economy. The Government therefore attaches the highest priority to a successful and viable future for the Dockyard. The Government would have been failing in its duty and responsibilities by not considering proposals for the commercialisation of the Dockyard. Strong interest has been expressed and a number of firms have indicated their intention to submit detailed bids by the 31st of May. These proposals will then be closely examined during the month of June and a preferred operator or operators will be selected. This will be followed by an in-depth project study that is scheduled to last some three months. The Government will be engaging a ship repair adviser and a firm of accountants who are specialised in the field to assist in these deliberations. However, this should not be interpreted as tacit acceptance by the Gibraltar Government of the British Government's decision for closure in 1983, a matter on which as the House well knows representations have already been made. Again, I need hardly stress, Mr Speaker, that in examining a change in role for the Dockyard, a primary objective must be to maintain and safeguard as far as possible the present employment and income levels. Another unfortunate aspect of the Defence Review was the proposed restriction on airfield operating hours. Any changes in operating hours which affect the smooth operation of civilian aircraft will literally eliminate any prospects for maintaining let alone developing areas of economic growth such as tourism, finance centre operations, the port and commercial activities, generally, but I am glad to note, Mr Speaker, that the Ministry of Defence have given indications that they will adopt a much more flexible stand on this matter. Mr Speaker, I turn now to the expected opening of the frontier. This has not and will not divert the Government's attention nor our policy objectives from the implications of the Defence Review. It is, however, an important event if it does occur and when it does occur, with major consequences for the economy. It is

generally acknowledged that the short run economic impact will be negative but that the long term opportunities will offer scope for expansion, particularly for tourism and for trade; generally, but the extent to which Gibraltar can maximise the potential advantages of an open frontier will depend largely on the conditions under which the frontier will operate in practice. There is also the question of our ability to provide the necessary infrastructure to cope with increased demand. These problems are not easily resolved having regard to our limited physical and financial resources. The issues of crown lands and of development aid also have a significant bearing on the outcome. However, the room for fiscal manoeuvre to create a more competitive image is curtailed by the Defence Review and by the uncertainties surrounding the initial changes with an open frontier. Fears have been expressed by the trading community about possible unfair competition from Spain and there are pressing demands for the adoption of protectionist measures. This would appear to be fair and justified in some areas. It should be recognised, however, that such measures can also militate against the best interests of the community generally and militate against the prospects for development. My own approach is that the adoption of a liberal trade regime based on realistic reciprocity, offers the best prospects. Looking further ahead, Spain's proposed accession to the EEC carries even more important implications. In this wider context Gibraltar's case for appropriate safeguards is compelling and is being actively pursued. The proposed reopening of the frontier resurrects other key issues which however close or distant in the minds of some, have a significant bearing on the development strategy. I refer specifically to the future development of Gibraltar's power and water supplies and the prospects for regional cooperation on development projects possibly with EEC funding. Let there be no doubt that this Government's development planning is aimed at continued self sufficiency in our essential services despite the diseconomies of scale and the high costs involved. If this means higher taxation or higher charges for electricity and water, then it is a price that has to be paid. Anything else might make economic sense but it is political nonsense and what my colleague, the Honourable Major Dellipiani, had to say earlier today about the dependence of the Falkland Islands on Argentina in these matters, I think, underlines the point. As far as regional development is concerned this lies well into the future and will require a high degree of mutual trust and understanding commensurate with Gibraltar's development objectives. Mr Speaker, before I move on to the 1981/86 Development Programme, I would like to give the House a final account of the 1978/81 Programme. Total expenditure on the programme will have reached some £30m to £35m with a local contribution of around £20m. Expenditure on housing, including major repairs and maintenance, totals about £10m and has

provided 196 new and 138 modernised units, a total of 334 units. Most projects have now been completed, others are nearing completion. For instance, the Girls' Comprehensive School should be completed in June and will be ready for the start of the academic year in September. The St Jago's Housing Project will be finished by the middle of next month whilst that at St Joseph's will finish by the end of July. Together, these two projects will add 76 new units to the housing stock. Other housing projects which dovetail into the 1981/86 programme and are currently under construction include 12 new units at Catalan Bay and 26 modernised units at Castle Ramp/Road to the Lines. I think I should have mentioned also, Mr Speaker, that the Lime Kiln steps project is not virtually nearing completion and I think that arrangements are already in hand for it to be handed over in the middle of May. On the non-housing projects there has also been considerable progress. The extension to the Airport Terminal will be ready in November although the first three phases, including the modern baggage handling facilities, will be completed in August. The introduction of International Direct Dialling equipment at the Telephone Exchange is also scheduled for later in the year as is the completion of the new Generating Station. Work also continues on other projects of an on-going infrastructural nature such as the renewals and repairs to sewage and salt water mains. Sir, when the 1978/81 Development Programme was in the planning stage, it was realised that Gibraltar's infrastructure would need upgrading in terms of power, water, sewage mains and telecommunications. These objectives have to some extent been met although further substantial investment will be required and is incorporated in fact in the new programme. Apart from its social benefits a sound infrastructure is an essential pre-requisite to private sector investment. The availability of improved telecommunications, for example, will also help to promote the development of Gibraltar as an offshore finance centre. The Government's contribution towards ODA funded projects rose from a planned level of £.9m to £4.6m largely due to cost over-run. This comprises the 10% local contribution plus supplementary finance made necessary once the full ODA allocation of £13m had been exhausted and together with commitments towards other projects the local borrowing level for the programme has been particularly heavy and further borrowing is planned for the new programme. The preparations for an early start on the new programme have, as the House now knows, been seriously affected by Her Majesty's Government decision to delay consideration of the plan until the likely investment requirements for the Dockyard and supplementary economic activities are identified and finalised. The Government has consistently rejected the linking of these issues and has pointed to the dangers and difficulties posed by a hiatus in development and it is a great pity, Mr Speaker, that Her

Majesty's Government is insisting that there should be outside advice before we are in a position to determine the course that the Development Programme should take when the Financial and Development Secretary we have in Gibraltar a former Treasury official who is fully involved and who knows better than anybody else what the essential requirements of Gibraltar are. The Financial and Development Secretary has been a tower of strength in the last year and I wish to take this opportunity to pay tribute to him. I think, Mr Speaker, that after the summer we are going to have to do real battle on this question of the Development Programme for it is already clear that the protracted delay in agreeing to a level of aid for this programme is causing unemployment in the construction industry and has already led to the notice of substantial redundancies something which, in fact, has also been compounded by the reduction in construction maintenance work by the MOD and the PSA. The delay is also causing bottlenecks and is distorting the allocation of available resources in terms of labour and in terms of land. A major criticism of our development performance in the past, not only from Honourable Members opposite but perhaps in the United Kingdom, from ODA, has been the lack of preplanning and resource coordination. Well, I think, Mr Speaker, that the fact that we have met expenditure targets both in 1980/81 and in 1981/82 has been a clear indication that corrective measure were successfully applied and that we were well geared to keep up the momentum for the 1981/86 programme. The preparations for the 1981/86 plan have been very detailed, they have been very exhaustive involving the setting up of a Forward Planning Committee at the end of 1979 and in my view they would in large measure have overcome the problems which have been inherent in the effective implementation of projects. Her Majesty's Government delays have disrupted therefore valuable gained planning impetus and the lack of progress in preparing Gibraltar's infrastructure for an open frontier situation has been affected and this is forestalling our ability to take advantage of the potential opportunities which should be offered for economic diversification once the frontier eventually opens. When the interim tranche of £4m aid towards urgent projects was agreed in December, 1981, project applications for a series of projects were sent almost immediately to the ODA during the month of January. Last month, as the House is now aware, the ODA pointed out that the allocation of the £4m aid tranche would only be available for projects which improved the viability of Gibraltar's economy and that projects for social improvement, for example, housing and education were excluded. The Rosia Dale Phase 2 housing scheme and the extension to the Boys' Comprehensive School have therefore not been accepted for funding from development aid funds. The project for the proposed replacement of the Viaduct Bridge by a causeway which was also submitted in January this year, has

already been approved in principle and now awaits formal approval by the ODA Projects Committee. An application was also submitted in January for the continued improvement and repairs of the salt and potable water mains and approval for this is expected shortly. Again, in January, ODA were asked to consider funding part of the capital requirement for the new distiller to be installed adjacent to the new Power Station. A reply on this project is awaited. Further applications in the light of the negative response to housing and education have now been sent. Projects have been submitted for the continued improvement in the sewage system, the first phase on the pedestrianisation of Main Street and the provision of a foot bridge over Winston Churchill Avenue. The pedestrianisation of Main Street is a project that will improve the shopping environment allowing tourists and residents easier and better access to shops, bars, restaurants, etc. Gibraltar, in common with other Mediterranean resorts, will be able to improve its tourist ambience. The scheme will clear most of Main Street and some of its tributaries from traffic which even with a closed frontier is already choking the central areas of Gibraltar. It is therefore a project which will not only boost the economy in terms of stimulating trade and the general tourist environment but will also improve safety and reduced congestion and pollution in the town centre. The Gibraltar Government will be making its own contribution to the new programme but the extent of its commitment is severely constrained in the uncertain economic climate created by the Defence Review. The Government, as the House now knows, is seeking increased borrowing powers to meet expenditure commitments on on-going projects plus new projects such as Rosia Dale housing, the extension to the Boys' Comprehensive School, the new distiller and other minor projects. The new proposed borrowing level will stretch the Government's financial resources but without borrowing and without the injection of capital expenditure, the level of economic activity will contract causing falling revenues and compounding the difficulties which the Defence Review may pose. If Her Majesty's Government is reluctant to allow the Government to increase its borrowing, strong political representations will have to be made. Furthermore, the Government will need to consider funding certain projects via contributions from the Consolidated Fund to the extent that this may be possible and prudent. I have already mentioned, Sir, that the British Government is awaiting the final outcome of the future of the Dockyard before considering the 1981/86 Development Programme as a whole. At the same time the findings of the consultancy on supplementary economic activity could have a bearing on this final outcome. The report is expected towards the middle of May and will be examining areas for the potential diversification of the economy. Among the many aspects under review the role

of private sector investment will be assessed and dealing with private sector development, Mr Speaker, I must say that events over the past year have reinforced my appreciation of the important role played by the private sector in the field of development and the vital need to pursue a policy of encouragement and support to ensure a level of activity which our economy requires if the efforts and achievements of the past are not to be dissipated and undermined. The continuing prosperity of the community depends on the sustained efforts of all sectors of the community in a spirit of inter-dependence so that both the public and private sectors compliment each others efforts in the most efficient and coordinated manner possible. It has continued to be my policy, therefore, to encourage development by private enterprise particularly in the interest of diversification not only in the direction of projects which render direct economic benefits but also in schemes of social significance and of close application to local inhabitants. The state on the building industry which continued to operate at a reduced capacity has also acted as a spur and whilst all the items which I mentioned in the course of my statement at this time last year have not yet got off the ground for a variety of reasons, I am equally glad to note that good progress has been made on the others, notably La-Terrasse at Catalan Bay, the new shopping arcade in Main Street, Bayside Marina and the extension to Sheppard's Marina. The gestation period involved in the launching of any development is inevitably and understandably a prolonged one and this is why it is my aim to inject into the pipeline new opportunities in a systematic and periodical manner so that the capacity of the development industry is neither overstretched nor materially under-utilised. This policy makes good sense and ensures the rational and orderly use of our resources. As Members are aware, five properties were put out to tender towards the end of 1981 as a first phase of a more ambitious scheme intended to help those families who had little immediate prospects of finding suitable accommodation but were prepared to solve their housing problem through their own efforts. This is a scheme of regeneration of our older properties by communal participation recompensed by security of tenure commensurate with the amount of money and effort put into it. We feel that this will not only bring about the benefits of home ownership but will bring back into service a number of dilapidated dwellings which will otherwise remain unoccupied due to lack of public funds. The response has been encouraging so that this will now become an on-going programme with the attendant conditions simplified and tailored to attract those most in need. The Government also invited during 1981 proposals for the reclamation of 38 acres of land on the East Side. This is a major scheme which has aroused widespread interest and I look forward to the response to our invitation with great expectation. If this

project materialises, Mr Speaker, it would constitute a major addition to Gibraltar's assets and therefore most worthy of success. The next big item on the development plans for the immediate future is the offer of Engineer Battery. This site which lies beside Napier Battery is ideal for hotel development and tenders will shortly be invited for the site on the basis of tourist and residential development. Mr Speaker, any community if it is to survive and prosper, must always look forward and plan ahead without respite. This also implies a sufficient degree of flexibility to adjust to new situations and changing demands, without any sacrifice of standards and backed by an unflogging commitment on Government's part to such a policy. This I am pledged to do and long and medium term planning will ensure that sites will become available to provide the necessary foundations. Whatever the future may hold, Mr Speaker, I repeat the central theme of the development strategy which I have unfolded today. The most important area affecting the economic development of Gibraltar is the future of the Dockyard. In this context development objectives will be geared towards full employment and the consolidation of a secure economic base for Gibraltar. Self sufficiency in our essential infrastructural services will also figure prominently in such a strategy even if it has to be at a price which I am confident that the people of Gibraltar are quite prepared to pay having regard to the political realities. Thank you, Mr Speaker.

The House recessed at 5.00 pm.

The House resumed at 5.30 pm.

HON DR R G VALARINO:

Mr Speaker, Sir, I would like to deal with the three departments under my care. The City Fire Brigade has continued to provide an excellent service to the community. Operationally, an all-time record of 900 calls have been answered. This coupled with 4,000 inspections carried out by the Fire Prevention Branch and operational personnel has resulted in an extremely busy year for the service. The distribution of fire extinguishers to Government dwellings was completed on schedule and the inspection and servicing of these has commenced. I have mentioned time and time again that no extra funds are necessary for these requirements. I am pleased to say that the post of Chief Fire Officer was filled locally and moreover the three Officers who have attended training in the United Kingdom have all obtained top places in the course. Finally, in this respect let me add that the Control Room has been completed modernised and technically updated. This includes the introduction of automatic alarm system and micro-fiche equipment which will provide 15,000 pieces of technical information and this will

result in an improved service by a department which the community should be proud of. Mr Speaker, I am glad to report that in the case of the Electricity Department there have been a number of positive milestones along the path to a more efficient and effective service. First amongst these must stand the construction of Waterport Power Station. Just over a year ago the contract was awarded and it is evident to everyone that a substantial portion of the works have been completed. I look forward to the commissioning of the new station later on this year particularly as this will mean the completion of the largest single contract ever undertaken by the Government of Gibraltar out of its own financial resources. Next I would like to mention the establishment of the Committee of Inquiry into the department. An interim report, despite the lamentable and disgraceful absence of the DPBG, has been submitted by the Committee this month to be followed . . .

MR SPEAKER:

I think in fairness to the DPBG one should not use the word disgraceful, lamentable most certainly.

HON DR R G VALARINO:

I will withdraw disgraceful, Sir. Is shameful inappropriate? To be followed by the full report in June this year. It is my sincere hope that the recommendations of the report will be instrumental in allowing the efficiency and effectiveness of the electricity service to be increased and assist in fostering cooperation and goodwill. During the length of my ministry, I have endeavoured to achieve improvement in the quality of service and in working relationships within the department because I consider that these matters are of importance to the personnel, to consumers generally, and to the community as a whole. It is fair to say that the electricity supply has been far more reliable this winter. I am pleased to report that within this last year the department has completed the rebuild of No.11 engine with rehabilitation of its foundation bringing to a total of two the number of engines which have been rebuilt over the last two years and similar work is in progress on No.9 engine. Furthermore, the in-service rating of engines 11 and 12 have been increased as a result of improved turbocharging and the partial elimination of vapour phase cooling. Appropriation is sought for the year 1982/83 in a revised format. It is hoped that this change will allow for a clearer exposition of expenditure by the different sections and enable more objective costings to be achieved. In particular, I would mention the elimination of some of the smaller sub-heads and their inclusion as part of a sub-head covering other expenditure in closely associated areas. These alterations

have now allowed for items such as leave and injury pay and sick leave to be shown separately. As will be seen from the Estimates of Expenditure, a provision has been made for the manning of Waterport Power Station. It should be noted by the Honourable Mr Restano that this is a budgetary figure and is reserved and it is intended to meet the cost of staffing threat. Logically, the exact cost cannot be arrived at until manning levels have been determined and agreed and will be influenced by the timing of the commissioning which is subject to any slippage that may occur. The Telephone Department continues to improve as expected. The Lines Section was responsible for the connection of 475 new telephones, an increase of 15% on last years figure of 412. Moreover, there were 233 telephones removed from one address to another and 508 miscellaneous works orders completed. Besides this work, 14 PABX's and PMBX's were installed and the department is also at present in the process of connecting another 4. This will be the fourth year of the cable replacement programme. Another 4 old lead type main cables have been replaced and greater emphasis has been laid on the improvement to the branch distribution network. Next year it is expected that further main cables will be replaced and every effort will be made to meet the end of the cable replacement programme due for completion in 1984. As I have mentioned previously, the remaining four digit numbers will be replaced by five digit numbers prior to the introduction of IDD in October, 1982. This is expected to take place in late August, 1982. Let me reassure Mr Restano who is in the habit of producing figures without any substance, and in fact he said that IDD should have been introduced six years ago. For his information, IDD indeed initially the installation of a satellite by Cable and Wireless. This was installed in June, 1979, and as he can see from my budget speech in 1980 his comments in this respect was a complete fabrication.

MR SPEAKER:

No, with due respect, Mr Restano never said such a thing. Mr Restano did say that he now sees that IDD had been introduced six years after he had suggested it.

HON DR R G VALARINO:

A new Telephone Directory incorporating all the new number changes will be published to coincide with this date. By this date I mean August, 1982 and prior to the introduction of International Direct Dialling. Furthermore, details of how to use International Direct Dialling facilities, country codes, and other useful information will be included in the Telephone Directory. October 1982 will see the onset of local call metering. It is only reasonable that people who

use the telephone more should pay for this extra service. The system of charging will be explained to the House both for international and local calls during the Second Reading of the Finance Bill this year, and I am proud to say it, the Telephone Department will transform what was a local exchange into an international sophisticated exchange vital for the needs of Gibraltar's economy. In conclusion, Mr Speaker, there is no doubt in my mind that there have been significant improvements during the year in all sections of my Ministry and I look forward to continued improvements in the next financial year.

HON A T LOBDO:

Mr Speaker, after the very detailed policy statement made by my Honourable colleague Mr Restano, I feel a little like Dr Sigmund Freud must have felt when he had agreed to give a lecture to a medical convention in a whistle-stop tour. His time was very limited, he was going to give this lecture on sex. The Chairman of the convention took so long to introduce him that by the time he came to deliver his lecture he was told to be as brief as possible and he gave his lecture in eleven words. He said: "Mr Chairman, ladies and gentlemen. Sex - it gives me great pleasure" and sat down. Well, Dr Sigmund Freud could get away with that but I doubt if I will be able to get away with that so, Mr Speaker, if the House will bear with me and will realise that I will have to be repetitive on some occasions I will once again for the third year make my humble contribution to this debate. Once again, Mr Speaker, it is budget time and it is a time of expectation. However, over the years I have come to the conclusion that it is very much the expectation once associates with a Christmas cracker. Whether when one pulls the cracker it opens with a bang or with a very feeble zut, the results are always disappointing, I only hope that this year's budget is only less disappointing. At budget time the Government have to give an account. They tell us how they are going to raise the money that they are going to need and how they propose to spend it. Of course, at budget time one should ask: "How did you spend the last money that you raised? In some cases one could even use the word squander but unfortunately when the year goes by, people tend to forget to ask for an accounting and just wait in expectation of what the budget will bring. In order to refresh some memories, I might be allowed, Mr Speaker, to take a short walk down memory lane. It won't be a long walk, at the most it will be about two years, that is all the time I have been in the House but in these two years I have seen Government compile a catalogue of disappointing performances. In my very first meeting of this House, which was the Ceremonial Opening, I recall the Chief Minister mentioning two matters which were of great concern, namely, housing and the new electricity plant for

Gibraltar. On housing he made special mention of Varyl Begg and hoped that we would soon have the problem solved. I think it should be a matter of regret that two years later there are people in Varyl Begg who are still suffering and there are flats in Varyl Begg that have still to be allocated. On the question of the Generating Station we were then promised that the new plant would be in operation for the winter of 1981/82. Well, it seems that it is going to be the winter of 1982/83. However, it is only a year's slippage and I suppose one should not be too demanding but one is certainly disappointed to see that after having brought to Gibraltar four skid-mounted generators, the hire of which is costing the taxpayer £11,500 a month and a further power source in the way of a trailer-mounted generator, it is disappointing to see that we did not have a power-cut free year, particularly as although the price of fuel seems to have dropped a bit, the bills seem to be getting bigger and this something which now is also affecting the water bills. Mr Speaker, in July of last year I tabled a number of questions on traffic and I must say that the Government's attitude to these questions was negative and at best lukewarm. However, I am glad that now a number of these points have been taken up and have been implemented. I am particularly glad to see the traffic lights at the junction of Corral Road and I am sure that when the Government sees the value of these lights some more will be installed. I can think of one or two places where they would be particularly suitable. However, I would like to give a word of warning here and that is that in the late hours or the very early hours of the morning some irresponsible hooligans shoot those lights totally ignoring them and the result of this, if they are not caught and punished, could be a fatal accident. Mr Speaker, I welcome the Government's increase of the parking areas in Gibraltar although I notice with regret the loss of the four USOC tennis courts. However, if this was the price to pay to keep the all-weather hockey pitch perhaps it was a price worth paying, only time will tell. However, I think that the taking over of parking areas in Governor's Parade by a hotel is nothing short of scandalous. If all the hotels in Gibraltar were to adopt the same policy, if Both Worlds were to adopt the same policy, I do not know what the local population would do for parking in these very important areas. I am pleased about the pedestrianisation of Main Street, I have seen pedestrianisation work, it usually works very well. Decried at the beginning by traders but in the end accepted and they are glad for it. Mr Speaker, whenever I go to the City Hall I am always pleased to see the Hammond Golden Disc on exhibition, prominently displayed in that lovely reception hall and it should be a matter of great satisfaction to any Gibraltarian attending any function there to be able to show off his compatriot who has done so well. I am also sad to see the state of the Gustavo Bacarisa painting which is sorely in need of restoration. I brought this matter up in the House late last year and I would hope

that in this budget of £48m some provision could be made for the restoration of this painting. I am sorry to see, Mr Speaker, that Government was not able to help a drama group in Gibraltar on its proposed visit to Scotland. I believe, Mr Speaker, that culture is usually taken for granted and this should not be the case, all culture, particularly within Gibraltar. I also believe that our heritage has always been taken for granted and that is why I was particularly pleased, Mr Speaker, to welcome the Bill for the Museum Ordinance to preserve antiquities in Gibraltar. Our heritage is well worth preserving and if we do not future generations will condemn us for this very serious omission. However, as I said, I welcome this piece of legislation, I welcomed it then and I will make my welcome total if at the Second Reading of the Bill we can include Parson's Lodge and make that historic monument enjoy the same protection as other historic buildings in Gibraltar. Perhaps if the Honourable Member would like to see that monument in the hands of foreigners he is justified in saying "some hope" - Spanish, Italian or Argentinian. Mr Speaker, I must congratulate the Minister for Education on the improving performance with regard to scholarships. Of course, we would like to see more scholarships but we are aware of financial constraints so, possibly, the solution here would be to try and see it from a different angle but I welcome this improvement, I congratulate him on it and I hope he continues in this way. Here I would like to ask him to see if he could do away with the contracts that are made with students. It seems to me that these contracts are simply a one-way affair where you contract to come back but if there is no job then your contract is worthless. So if the contracts were done away with I do not think we would be losing much. Late last year, Mr Speaker, we had the disruption at the Boy's Comprehensive and although the Honourable Minister for Economic Development seems to be content with the position as it was since 1969 whereby cleaners do an hour and a half's work and try to fit four hours into one and a half, I am not so happy about that and I think that caretakers should be asked to work the overtime so that the proper cleaning of the school is carried out. If it is not, Mr Speaker, I think that we will have a repetition of that disruption. As to the disruption, when it occurred, I must congratulate the Government on its speedy reaction in setting up a Committee of Inquiry. However, I cannot pass on my congratulations to the Committee of Inquiry as I have never in my life read a more wish-washy report than that. Now, Mr Speaker, I would like to touch on sport. For me, the Minister for Sport has been my biggest disappointment. I get the distinct impression that he is more interested in his temporary Ministries than in his full-time ones. For the third year running, Mr Speaker, there has been no increase to the grants given to sporting bodies. Indeed, Sir, it is a crying shame. At the same time the Minister will insist in

bringing up before this House the question of sports charges. This is something which I think the Minister clearly seems unable to implement and I ask myself, is there any connection between these two? Is one a threat and the other a promise or vice versa? But whether one is a threat or a promise these are two things that one should never do unless one intends to carry them out. One should never threaten if one is not prepared to carry out the threat and one should never promise if one is never going to fulfil the promise and I must say it must be a source of acute embarrassment to the Minister to find that even the Hockey Association has rejected his charges, the Hockey Association whose President is a colleague of his, another Minister in the administration. On the Stadium, Mr Speaker, I would advocate advertising, I always have done and I will continue to advocate advertising. I would like to see the Stadium run on the lines of a Board similar to GBC Television, they are given so much money and they run the place and at the same perhaps they could have a Sports Manager or rather a Stadium Manager who would fit snugly into Scale 32 and of course the last disappointment in sports and it is the latest, came as a bit of a cold shower. It was, of course, the swimming pool that never was. Is the Minister for Sport welshing on his electoral promise? I suggest, Mr Speaker, that if the Minister has lost interest in this Ministry he should step down and let someone with more enthusiasm for it carry on. I would like, Mr Speaker, at this point in time when a year seems to have just flashed by, I would love to be able to say how time flies when one is having fun but unfortunately I cannot say that because although we did have a tremendous amount of satisfaction when we achieved our full British Nationality, the news of the Dockyard closure must have wiped many a grin off many a face. Nevertheless, I believe in the resilience of the Gibraltarian and in the goodwill of the British Government and although I must admit that I am an optimist I also believe that it is the spirit of optimism that gets things done. Pessimists sit down and bemoan their fate and nothing gets done. And here, Mr Speaker, I would like to add a small tribute to the late Sir Peter Russo. At a reception last year I met him and I asked him: "How are you feeling, Sir?" and he said: "Never better. If you had asked me this question two or three years ago I would have said, I have only X years to live but now I say I still have X years to live". Mr Speaker, I say that British Gibraltar still has X years to live, X years, and Y years and Z years and if we all pull together we will pull through. Thank you, Mr Speaker.

HON J B PEREZ:

Mr Speaker, with your permission and your patience and tolerance I would like to deal mainly with the estimates of my department, the Medical and Health Department. I will

not take the opportunity of answering some of the points that the Honourable Mr Loddó has raised because I am sure these will be answered by the Ministers concerned. First of all, Mr Speaker, I would like to thank the Honourable Mr Restano for praising the work that my department has carried out throughout the year. It makes me very happy indeed. Mr Speaker, because it really shows that the department must be working very well in order to have a Member of the Opposition, in particular the Honourable Mr Restano who can be very critical at times, to actually come up in the House and in his speech, in fact, praise the work of the department. Mr Speaker, as I have done in the past two years I would like to divide my intervention by going first of all over the Personal Emoluments followed by Other Charges and then deal with matters of general application throughout the year and for the following year. As regards Personal Emoluments I would inform Members of the House that the increase anticipated for this year being in the region of around £263,000 really represents the normal increases which have been brought about by the last year's salaries review. I think it is important that the House should note that the department has increased its establishment throughout the year by a total number of 8 and I think that this particular increase will go some way towards even improving the service that the department offers to a larger extent. The first post that has been created is the one of the Orthopaedic Surgeon who as Members know will be replacing Surgeon-Captain Murchison when he retires early this year.

HON P J ISOLA:

Did I hear the Honourable Member say Dr Murchison will be retiring early this year?

HON J B PEREZ:

Early in the financial year.

HON P J ISOLA:

Oh, I see.

HON J B PEREZ:

The second appointment that was made last year was of an additional doctor in the Group Practice Medical Scheme. We then have an extra Senior Physiotherapist, also a basic grade Physiotherapist and a Physiotherapy helper. I recall Mr Loddó two years ago asking questions on the Physiotherapy Department and I am sure the extra three posts that have been created will make him happy. We also have a basic grade Speech Therapist which has been established. All in all, Mr

Speaker, as I say, it will go a long way to improving certain parts of the department which have been found not lacking but the demands on that particular department have been tremendous throughout the years and I think the performance will be improved. Mr Speaker, as far as overtime is concerned, I would again repeat what I said last year and that is that all the overtime that is worked in the department can be classified as essential since although the staff is conditioned to a five-day week, there is obviously a requirement to cover the Hospital on a 24-hour basis and similarly when members of the staff are ill a relief has had to be found and again this is done from off-duty staff and therefore there is the necessity of having to pay overtime rates. In addition, Mr Speaker, one ought to say that there are certain categories of people employed in the department who have roster commitments and again the payment of overtime is absolutely essential. Mr Speaker, as far as allowances and gratuities are concerned, allowances are payable to members in accordance with agreements which are agreed with the Staff Association and gratuities are based on the question of the conditions of employment. Mr Speaker, as far as Other Charges are concerned, there is very little I would like to say at this particular stage since really the increases which appear in the estimates are to keep pace with inflation and I am certain that the Honourable Members of the other side of the House will have an opportunity at the Committee Stage to ask any question they would like on Other Charges. Let me just add, Mr Speaker, that the department is in fact very conscious of obtaining value for money from purchases and this has been apparent throughout the years in the department and is something that we shall continue to do. As far as Special Expenditure is concerned, Mr Speaker, here I would like to mention that the department is intending to spend this year the sum of £28,000 which is really for new equipment. We intend to purchase a foetal monitor for the Maternity Department, we also require a new operating table with the necessary ancillary equipment, we also intend to purchase a scanner for the department and I believe we will also be purchasing a coulter counter for the laboratory. If the Honourable Mr Restano would feel inclined to make a donation to the Hospital for the coulter counter it would be very well received, Mr Speaker. The department is also purchasing a disinfection plant, this is for the Environmental Health Department. The previous plant is now completely obsolete, it was purchased way back in 1892 and therefore the purchase of this disinfection plant is absolutely essential. The Hospital is also purchasing a PMBX and we hope that this will improve the telephone system substantially in the department. Mr Speaker, on general matters affecting my department I would like to say that in 1981, last year, we saw the retirement of two of our most experienced consultants, I refer to Drs Giraldi and Cochrane.

I think much has been said in this House about both these gentlemen and I would once again like to place on record this fact, that is, the devoted service that they have given to the community and wish them both well in their well-earned retirement. The replacements, Dr Maskell and Dr Miles have since taken over their duties and I am pleased to say that we have found very able replacements and I am sure that the community will continue to benefit from their care in their respective fields. As I have already mentioned, Mr Speaker, an additional doctor was appointed to the GPKS which has enabled us to consolidate the service given at the Centre and to provide a more efficient and caring cover to those persons who are registered with the Scheme. I am happy to say that there is a good relationship amongst the doctors working at the Centre as well as good links between them and the consultants working in the Hospital which is to the advantage of the community as a whole. This financial year will see the retirement of the Director of Medical and Health Services and an advertisement has already been placed inviting applicants for this post. There is no doubt that we shall be able to attract suitable candidates and I am hopeful that in the very near future an appointment will be made. As the House is aware, the present Director has been carrying out both clinical and administration duties. The occasion of his retirement has been taken as an opportunity to re-examine this arrangement and the conclusion reached has been that the community would be better served by replacing his post by one post of Director overseeing the general administration of the department but with some clinical involvement, and by a full-time Orthopaedic Surgeon. An appointment has already been made to the latter post but the selected candidate will not be in a position to take up his appointment until later on this year. In the meantime the services of Surgeon Captain Murchison will be retained on a locum basis thus providing excellent cover during that period of time. Before leaving the subject, Mr Speaker, I must also mention that the post of Consultant Obstetrician-Gynaecologist has recently been filled by Suregon Commander Evans who as Members of the House will know is in fact no stranger to Gibraltar and again I think he will be an asset to the community and I wish him all success and happiness in his new job here. Mr Speaker, some progress has been made in our efforts to achieve recognition of our training school for registration with the General Nursing Council. Our Principal Tutor was sent to Britain last January on an exchange basis to undertake an attachment which would enable him to gain the necessary expertise and knowledge of present day methods of teaching in order that he will be in a position to reorganise the syllabus of training in Gibraltar which in turn would enable our nurses to have the qualifications recognised with the GNC automatically. Good progress, I should say, Mr Speaker, has been made in this respect. In the meantime we

have been very fortunate to have with us Miss Mary Fox, a tutor from the School of Nursing, Westminster, who has been running a training school and I am happy to report that a number of very useful suggestions for improvements have been made by her which will obviously be of assistance in our eventual goal which is the recognition by the GNC of our nurses training in Gibraltar. Mr Speaker, on the subject of building maintenance I must record the very valuable assistance which has been given to my department by the Public Works Department. An intensive painting programme was undertaken during the course of the last financial year which has resulted in the re-decoration internally of the Hospital as well as the external painting of the Mackintosh Wing which has greatly enhanced the appearance of the Hospital. That department is currently engaged in the external painting of the Children's wing of the Hospital which should be completed very shortly. Mr Speaker, I have spoken in very general terms about our doctors and our nurses and I would like also to take the opportunity of placing on record the very good work which is carried out by the ancillary staff, namely, people like Porters, our domestics, the administration of the department and, of course, the laboratory. Mr Speaker, perhaps I ought to say a few words also about the Environmental Health Department. This department I feel has maintained its very high standards throughout this year in its continued efforts to protect public health and improve the environment. More specifically the department extended its work last year in the food field when the Government introduced the Imported Food Regulations. These incorporated both EEC directives and modern trends in food safety, measures which successfully transferred monitoring and control from the retail to the importation side of the business. Needless to say routine retail inspections of both goods and premises is maintained with the added satisfaction that safety standards are now higher due to the all-important control. Mr Speaker, the department's never ending task of keeping its law under review, saw the passing of a series of amendments to the Public Health Ordinance together with the introduction of the Litter Rules which incorporated the recommendations of the Keep Gibraltar Tidy Committee. These new legal measures increased fines for depositing rubbish, created new offences and specified procedures to prevent indiscriminate dumping of rubbish, measure which I believe, Mr Speaker, have led to a cleaner, safer and more pleasant Gibraltar. A new service started in the last financial year by the department, namely, the collection and disposal of dangerous chemicals and materials. This service, Mr Speaker, proved not only its worth but also sound foresight and planning. In fact, the service was needed several times during the year and was promptly brought into use when required. In the field of disease prevention and health education, the department

obtained the cooperation not only of local tobacco importers but also of the manufacturers and the United Kingdom Advisory Council and successfully negotiated a volunteer agreement which incorporates the World Health Organisation's urgings on this important subject and at the same time meets Gibraltar's uniqueness as to size, geographical position and full internal self Government. This is a very example of such an agreement in Gibraltar. On this same subject I am pleased to inform the House that the department staged a very successful exhibition on the dangers of smoking, conducted an intensive anti-smoking campaign in schools and expanded its general health education work. By these latter means it is now reaching more groups and organisations than ever before. Another feather in the department's cap was a highly successful campaign to collect and dispose of unwanted medicines. All in all, Mr Speaker, I think the Environmental Health Department had a very good year in terms of work and productivity. All that I wish to say, Mr Speaker, in winding up is really to take the opportunity of thanking all those voluntary organisations and individuals who have given not only time but have contributed financially and have made numerous donations to the department throughout the year. May I hope that this continues for many years to come.

HON W T SCOTT:

Mr Speaker, I have known the Honourable Minister for Economic Development and Trade for very many years indeed, in fact, I think we spent quite a number of years in school together and ever since those days I have always thought of him as an individual who thinks out the problem, he follows the pattern, he follows the line, he knows what he is doing. It was most surprising, indeed, when I heard him earlier this afternoon talking about the Improvement and Development Fund and development, generally, and the problems that the Government had been having with the lack of funds from the ODA to say, and I quote: "We do not know where we are going". Mr Speaker, this is something that we on our side of the House have been telling Government for years now, they do not know where they are going.

HON A J CANEPA:

Mr Speaker, the Honourable Member has twisted my words. I said: "We do not know where we are going insofar as ODA is concerned", and I added: "We know where we would like to go". There is a very subtle difference.

HON W T SCOTT:

Perhaps, Mr Speaker, what he should have said is: "We know where we are going but we do not know how long it is going to take us to get there", that is the subtle difference that

I would have put to him. Mr Speaker, some months back now, Government received a report from a Committee of Inquiry that it had commissioned, the Committee of Inquiry into the Public Works Department. One of the recommendations made in that report is precisely what my Honourable Colleague on my right said this morning talking about the Lands and Surveys, is that the Lands and Surveys Department should be merged within the Public Works Department. These were the recommendations numbers 5, 6 and 14, that the Minister for Public Works at the last meeting of the House in March informed us that they would not be accepting because it had been overtaken by the setting up of a Lands Board, this was in March 1982. This report, Mr Speaker, was submitted to Government in March, 1981. They have had one year and yet even after that year and in not accepting the recommendation, there is no reason given other than being overtaken by the setting up of a Lands Board. The other interesting point which the Honourable Minister for Economic Development and Trade took up and I was sad to see this again very personally, is when the Honourable Colleague on my right suggested that Ministers should not have the power or influence to influence tenders, this was not directed, it was not a personal innuendo to you or anybody else. The incumbent of that position might change in years to come, the Government might change, it was not a direct accusation at anybody and I was sad to hear that, in fact, because he himself in rejecting this accused us which I thought rather sad. Mr Speaker, Government does not know where it is going, let us examine the sand issue. On the sand issue we have heard so many things from Government and yet again this year after we had an assurance from the Minister for Public Works that no more money would be spent on this project, we again find a sum of £52,000 to be spent this year on the winning of sand making the project now worth £577,112 originally supposedly to have been completely funded by ODA and this is perhaps where Government might lose a lot of credibility with ODA, where ODA having given the best part of £3m the project still does not work, Government not being content with that, we have £52,000 to be spent this year. Quite recently over the course of the last six or nine months Government asked for something in excess of £70,000 on supplementary estimates, that is making a total of £120,000 - odd on top of the £450,000 that we were given by ODA and still we are waiting for the sand to come down from that chute. Perhaps this is the credibility of Government with the ODA. Mr Speaker, we have the Public Works with the inordinate amount of money that seems to be spent on sick leave for workmen. I wonder, in fact, how deeply and how often not only does the department itself examine the situation but the Public Expenditure Committee looks at this problem continuously and deeply. I think the last statistics that we had from the Honourable Minister for Public Works was something of the order, and I am sure he will

correct me immediately if I am wrong, something just over two hours per man per week. I would ask him also whether injury pay for workmen is not included in the Social Insurance payment that is met weekly for every employee that the Public Works has because it appears here as a completely separate item inclusive of leave. Mr Speaker, I also note that the increase of salaries in the establishment of the Public Works this year seems to have been higher than the norm for most other departments of Government and we would want some explanation as to why the department having been increased for this coming year, less development taking place, per pound value it can be said that it is giving less return. Mr Speaker, I think last year was the second occasion generally throughout the estimates Head by Head that I posed the question particularly to the Financial and Development Secretary where I thought, and I think I gave one or two examples, where I thought that the expenditure Head by Head was not really conveying a true or a true enough picture and I think I mentioned the Post Office to illustrate my point, where the Post Office conducts work for other departments yet does not bill them for it through mail, issuing of stamps, insurance stamps, and so forth. This again does not appear this year. I would like to think that the Post Office, for example, would be placed into not a too dissimilar situation to the telephones, electricity, that is, regarded as a public utility because otherwise particularly the Post Office Head really does not represent a true trading picture, as it were, of how the Post Office is doing. It is undertaking a lot of free work for other Government Departments and it is not charging them for it. Mr Speaker, I remember also some months back when we were talking about development, that the Government, and I think it was again the Minister for Economic Development and Trade, mentioned Engineer House and that the project was virtually ready or they were waiting for money, for funding and so forth but that they anticipated that prior to the building, in case they had to wait a long time for the money and get the tenders off and so on, they had every intention to clear that site and make use of the flat land that was accessible from Engineer Lane and provide parking areas there and I am going back quite a few months, perhaps over a year. Mr Speaker, we do not seem to have heard anything more from that, the undergrowth is higher and higher and higher and Government with its express intention often quoted here by them of providing more parking spaces, here, there and everywhere particularly with the border opening, spending a lot of money, this is a tailor-made situation where they could have effected that which they said they would be doing which sadly they have not. I also note that it is Government's intention to purchase some flats at Devil's Tower Road and we shall obviously be enquiring about at Committee Stage but I think it is necessary to have some form of general policy statement from

the Government on this as well as the £60,000 it is going to spend in buying a house in the Woodford Cottage Development area as a quarter, again putting civil servants, making them even more privileged than the rest of the community and increasing the benefits of civil servants in relation to the rest of the community. I also note in the PWD Head, Mr Speaker, that the training of apprentices and trainees is going to go down this year and facing a situation of a second year running where the MOD are not having any apprentices, where we would have hoped the PSA to continue at least with their level apprenticeships, it is sad to note that that has had a reasonable fall on the amounts spent, from £306,000 to £276,000, and facing the unemployment situation that the youth of Gibraltar have got to look forward to very shortly in this summer, it seems to me a rather shortsighted not to spend money on instruction courses and training of apprentices although by the same token I am glad to see that in the Department of Labour and Social Security Head the funds for the Construction Industry Training Centre goes up quite sharply. Mr Speaker, again Government seems to consciously discriminate between different people. We have had this time and again, my Honourable Colleague on my right went into this in some depth this morning, the question of the Elderly Persons Pension, that is discriminatory now. Why should a person who is in receipt of an Elderly Persons Pension be subjected to tax on that pension whilst the other two state pensions are received tax free which incidentally are worth a hell of a lot more money? Why? It seems to me that the Honourable Minister for Labour and Social Security has to rely on the Honourable Mr Adolfo Canepa to answer this question every time.

HON A J CANEPA:

Mr Speaker, if the Honourable Member will give way. I am really beginning to get a little bit tired about this. I gave up being Minister for Labour and Social Security over two years ago. I do not have responsibility for the matter. The matter has been explained ad nauseam in the House. My Colleague the Minister for Labour has made statements in the House, notably I think it was during the October debate when Social Benefits were increased, he made a statement to the fact that that was his policy and it was the collective view of the Government. I do not see why the pistol should continue to be pointed at me any longer. I am a disciplined member of the Government in which I accept democratic principles and I go by the majority and when my Colleagues in Council of Ministers vote against me, I accept that as a democratic person. I do not hold a pistol at anybody's head, I am not the obstacle to the EPP being made tax free, the obstacle if we have to use such language, is the whole of the Government.

HON W T SCOTT:

Mr Speaker, we have made our own assessment of the matter, obviously, but it seems to me that

HON A J CANEPA:

I would add one thing, that it is not an issue over which I would resign from the Government. I do not feel so strongly on moral or political or ideological grounds about the issue that I would threaten to resign, it is not an issue that is worth resigning about, I can tell the Honourable Member. If the majority of my Colleagues wanted to make the EPP tax free I would accept it.

HON W T SCOTT:

Mr Speaker, it only really proves my point because it is always the Minister for Economic Development as he has done just now, who rises to answer.

HON A J CANEPA:

Because he is attacking me.

MR SPEAKER:

Order. With due respect to the Honourable Member, it is only when he is accused of being the instigator of opposition to this particular matter that he answers. Let us go on.

HON W T SCOTT:

Mr Speaker, he is the defender of the principles. Mr Speaker, if I may turn now to GEC. We have heard again my Honourable Colleague on my right mention this morning the question of advertising in Spanish. Really, we find even although it might help somewhat the revenues for advertising, it still is not sufficient to meet the costs of running GEC and it is again reflected this year when it has again gone up and gone up quite radically. A Spanish product advertised in Spanish by a Spanish company sold exclusively in Spain on Gibraltar television which is subsidised by the Gibraltar taxpayer to me is incredible, I cannot accept that, and this is precisely what is happening. Mr Speaker, a couple of months ago we had a group of Spanish politicians come to Gibraltar and they seem to come so often I do not know why they continue coming they know exactly what they are going to hear, we have not changed our minds and I doubt whether they will ever change theirs but whenever they come or up till that point in time, whenever they have come they have given a Press Conference perhaps certain reporters go there and it is reported perhaps in news perhaps not, but when it is reported it is reported

in English. I found it unbelievable, Mr Speaker, that an interview conducted in Spanish should form part of a news item of Deadline at 9 o'clock that evening and I make no apologies for having mentioned this now. I have not seen any more but I hope that none of us will either. Mr Speaker, in a few days time the local Branch of the European Movement will be celebrating their Europe Week and having their annual general meeting. This year it is hoped that a very prominent backbencher in the House of Commons will be coming to Gibraltar. I think arrangements have already been concluded on this, an influential backbencher who has been a source of strength and a very good friend of Gibraltar for a substantial number of years. There is a vote on the grants in aid from the Treasury of £250 for the European Movement. That has remained static in fact for quite a number of years. The costs of the visit of this MP are being borne exclusively by the European Movement and the costs of this visit are far in excess of their grant. I remember being told a few years ago that when the European Movement first started in Gibraltar, there was an application to Government, I think it was in the nature of £1,000 per annum, to help them and Government said: "Look, we are sorry we cannot give you £1,000 but perhaps will £250 a year do and then when you come to an exceptional year where you have to meet certain expenses, well, if you submit your application to us we will view it favourably". I am suggesting to Government, and I understand that the Chairman of the European Movement and there are two members of the Committee on that side of the House as well, will shortly be writing to the Chief Minister or the Financial and Development Secretary on this matter and I hope that they will view his application favourably. Mr Speaker, I suppose I have to declare an interest on what I am going to mention now. The Gibraltar Cricket Association is going to spend something like a month in England participating in a mini world cup, as it were, which is composed of something like 16 nations. A couple of months ago an approach was made to see if the Stadium Sports Centre could perhaps assist in the training programme. Sadly to date and this is again incredible to believe, where a national side spends a lot of time, a lot of money and yet it cannot use any single one of the facilities that Government provides to everybody, not even for example in the use of a shower room. This is incredible. I understand, in fact, that this also happens with many other sports particularly when the national side of Gibraltar is concerned whether it is football, hockey, basketball or whatever. Mr Speaker, finally, we are encouraged in fact by the statement of the Financial and Development Secretary this morning when he mentioned that Government had every intention to increase its public borrowing. It is, I feel, only in this way if recent history is to be proved right on ODA supply, that Gibraltar can continue to be as self-sufficient and reliant as it should be and on this perhaps Government will entertain

on the Improvement and Development Fund, coming up with a presentation which clearly sees the difference of the locally funded projects or the targets hopefully that will be funded from local funds and those which still require ODA funding because I notice that if I add up all these projects in the Improvement and Development Fund from which approval is still being required by ODA, one reaches a figure of just under £3m when we have been lead to believe that the figure that could be at our disposal is £4m and incidentally out of that that £2.975m only half of that is scheduled to be spent in 1982/83 and surely we should be looking at a situation where whatever money we have, particularly in money which we do not have to raise ourselves, once we have it, facing what we are now facing unemploymentwise and particularly in the construction industry where come July we are going to have enormous problems, we should be looking at a situation where we spend this money and we spend it when we have it not a year and a half or two later. In helping the situation as the situation happens not after it has occurred. Mr Speaker, thank you.

HON M K FEATHERSTONE:

Mr Speaker, we had a long statement by the Honourable Mr Restano and every time he rises to speak I feel constrained to remind myself of William Shakespeare and Caesar's reference to a gentleman named Cassius in which amongst other things he said: "He thinks too much". Unfortunately, Sir, the results of his thinking are not all that brilliant, all that reasoned for he says many things which I think would be better for himself personally and for the House in General if they were left unsaid. The first point I would take issue with the Honourable Mr Restano is the savage taxation of 1979/80. Well, it seems that Gibraltar enjoys savage taxation because in the elections in 1980, some 8 or 9 months after that savage budget, the Government which put those savage taxes was returned once again, perhaps the public are gluttons for punishment. But, of course, if that was savage taxation then what we consider to be prudent, give away or relaxation of taxation of last year, I presume in Mr Restano's terminology should be an absolute gift, utter charity and now once again because we are aiming for a surplus this year we are being told we are over-taxed. It seems so strange, Sir, that a gentleman like the Honourable Mr Restano who I think is a very good businessman and probably follows the business world in the Financial Times, should have such a different opinion in his thinking when it is Government money to business money because I have shares in one or two companies and I find that very often they finish up with a profit of, for example, in one instance I know £30m and what do they do with it? Do they give it away? No, they give away £3m in dividend and they put £27m into reserves for future use and that is good business, but when

Government does the same sort of thing albeit on a much more modest scale, this is wrong, this is over-taxing the people. We have been told, Sir, by the Honourable Mr Restano and also to some extent by the Honourable Mr Scott, that our development programme is dropping by one-third, by £4m. That is correct, nobody is going to deny it, but of course last year was an exceptional year insofar that we are spending abnormally £7m on the electricity station of which £4m to £5m went on the generators themselves and we are back this year to our normal type of I & D Fund which runs about the £10m and so the reduction is nothing out of the way, it is simply that when you have one abnormal year you cannot carry on abnormal years forever you must come back to reality and more so the money we are spending this year is money which most of it is basically on development in Gibraltar where the money to a great extent remains in Gibraltar, it isn't spent in England on generators. Of course, the Honourable Mr Restano in his aims against the Government and the Government system of taxation has to find fault somewhere and this year he has pitched on the question that Government has import duties and these of course should be abolished and VAT would come in its place. Well, VAT will be brought with very many difficulties not least an administration to carry it out which possibly might take away quite a lot of the money that we would get from the VAT unless of course we put a higher VAT to make up for the administrative costs. VAT has another drawback as far as Government is concerned. Government gets its money in arrears whereas with the present system Government gets the money on importation of the goods. This might be better for the businessman who possibly would pay his VAT six months late and would have his money in the bank earning interest for him. But of course Government would lose that money and that interest on it and therefore to make it up they have to put an even higher VAT and then of course we would get it thrown at us: "You have a higher VAT than in Britain, you cannot do this, you cannot do that". I think VAT is a non-starter. The Honourable Mr Restano was very worried about Government giving subsidies to different people. I think he mentioned the subsidy to Gibraltar Television, be that as it may. He did mention the subsidy to the Sand Quarry project. Well, Sir, there is no subsidy to the Sand Quarry Project at all by Government and I challenge the Honourable Mr Restano to show me where in the Estimates it says subsidy to the Sand Quarry Project.

HON G T RESTANO:

Mr Speaker, who pays for the costs?

HON M K FEATHERSTONE:

Who pays for what costs?

HON G T RESTANO:

For the capital investment for the Gibraltar Quarry Company. Was that paid for by the Sand Quarry Company?

HON M K FEATHERSTONE:

You said a subsidy, my dear Sir, a subsidy means money given every year as we do to the Gibraltar Television. The fact that the initial capital outlay was given basically by ODA is not a subsidy.

HON P J ISOLA:

Could I just ask one question?

HON M K FEATHERSTONE:

Yes.

HON P J ISOLA:

Is it not a fact that if the Government didn't guarantee the huge overdraft the Sand Quarry Company has, the Sand Quarry Company would not have resources from which to pay and Government would then either have to subsidise it or let it go bust if the Government decided it wanted its money?

HON M K FEATHERSTONE:

That is quite correct. Government has guaranteed the overdraft but they are paying nothing whatsoever towards the Sand Quarry Company at the moment and the Sand Quarry Company's huge overdraft has been very considerably reduced in the last few months I am happy to tell you.

HON G T RESTANO:

If the Honourable Member will give way.

HON M K FEATHERSTONE:

What again?

HON G T RESTANO:

Well, yes, again, just on a point of accuracy. I mentioned the Sand Quarry Company in connection with the Principal Auditor and that the Principal Auditor should be obliged to audit those accounts. In that respect I mentioned the subsidy to the Sand Quarry Company as distinct from the television.

HON M K FEATHERSTONE:

There you are, Sir, he has said so again, the subsidy to the Sand Quarry Company which doesn't exist. You see, you cannot win with some people.

HON P J ISOLA:

But if the Government didn't guarantee it they would have to give them a subsidy.

HON M K FEATHERSTONE:

I have already said that we are very grateful for the guarantee. We have had and doubtless we will hear considerably more in this meeting of the hobby horse of the Opposition, the taxation of the EPP. We have had it from the Honourable Mr Restano, we have had it from the Honourable Mr Scott, I am sure we will get it from the Honourable Mr Isola, they think it is a vote-catching point. I am sure all 20 votes they are going to catch from that are not going to make very much difference. I am willing to state, Sir, categorically, whether the Minister for Labour says anything, whether my colleague here says anything, I personally do not feel that people who have not contributed should get a pension which is non-taxable.

HON P J ISOLA:

If the Honourable Minister will give way. Could I ask the Minister if he going to suggest to the Government that they tax the retirement pension in respect of which there are no contributions made?

HON A J CANEPA:

The Honourable Member is mistaken. Those people who are getting retirement pensions paid contributions for five years. They didn't pay for 10 and therefore transitional arrangements were introduced and because the fund was very small at the time the pensions were paid out of revenue, but those people made contributions at the proper time.

HON M K FEATHERSTONE:

Once again, you see, the Honourable Mr Isola takes over from Mr Restano with incorrect facts.

MR SPEAKER:

I will ask the Minister not to be so lenient in giving way otherwise we will never get on.

HON M K FEATHERSTONE:

Very well, Sir. The Honourable Mr Restano is very upset that there are two Ministers on the Land Board. There may be two Ministers on the Land Board but they are in a minority, there is a majority of officials. I think Ministers ultimately will have to answer in this House whatever the Land Board composition was and whatever they decided, the question would ultimately land at the Minister's door in this House. I see no wrong in Ministers serving on that Board and I am sure Ministers can be just as impartial as anybody else, possibly more impartial than all the mothers who decide better than the Public Service Commission who should be a Head Teacher in a school. The Honourable Mr Restano said he saw with disbelief the size of the PWD expenditure. Well, I think the PWD expenditure compared to last year shows almost a reduction. But let us look at some of the points that he mentioned. He mentioned staff increases, increase of the technical staff although we are not going to get one third less in Improvement and Development and I would point out at this juncture that it was a member of the PWD staff who did much of the designing for the Power Station and all credit to him, if he hadn't done it so quickly perhaps the power station would have been much slower off the ground. But if you look at the Public Works staff, it is broken up into two sections; it is the general section and what are called the supernumerary staff and the general section this year has one new person who has been taken over from the Lands Department and that is the General Supervisor of the Cemetery. And so in the general section there are 141 persons employed but last year there were 142 so that is really a reduction of two people and this year the supernumerary staff has one very great change. Six people have been taken on as undergraduate trainees and what are they doing? They are not doing any work for the I & D programme, they are in England studying so that they can come back as trained persons to take over from expatriates who, when their term of office ends can be leaving Gibraltar and have their jobs taken over by Gibraltarians. This is the increase in staff in the PWD Department, six students in England. Of course, perhaps the Opposition doesn't want students to be trained, perhaps they want to continue having ex-patriates here for ever. The Honourable Mr Loddie mentioned the question of Varyl Begg Estate and the people who are suffering there. It was never envisaged that Varyl Begg Estate would be finished before the Summer of 1982. It is very well on schedule and we hope by next winter nobody will be suffering there but it is not reasonable to lay at our door that people are still suffering when, with the best will in the world, it was a physical impossibility to complete the job before the end of the scheduled period in 1982. And as for the space outside the Holiday Inn which has recently been marked off by the Holiday Inn administration, I believe that when the Holiday Inn was first conceived,

an agreement was made with the then Government, which I believe was under the administration of the Honourable Major Peliza, that a piece of land was going to be reserved to the Holiday Inn for car parking and it was not until our Government came in that that piece of land was whittled down to a smaller size. Had we left the area that the Peliza Government would have given to Holiday Inn, they would have been taking even more space. Perhaps Mr Loddo who is a newcomer doesn't know these things.

HON A J CANEPA:

The Leader of the Opposition says that is not true but I find the Honourable Major Peliza nodding his head in agreement. Perhaps they might try to reconcile the matter.

HON MAJOR R PELIZA:

There was a need, as indeed there is a need, I think under present arrangements, for any person who builds a hotel for areas to be given for parking and I think it was definitely part of the conditions under which we were able to get that development going to allocate certain space for parking. I can't just say off the cuff how much area was allocated at the time to them but, yes, areas were allocated to them, that is the true situation.

HON M K FEATHERSTONE:

Thank you, Honourable Major Peliza. The Honourable Mr Loddo is very pleased with the traffic lights, so are we, and as I have said in this House before, we will consider once these traffic lights have been in operation for some time, other areas where they may be put up if good results should be obtained. The Honourable Mr Scott, referred to the PWD Inquiry. Not everything that an inquiry brings out has to be accepted and when the PWD inquiry which did bring out the question of merging the Lands and Surveys departments with the PWD, when it was considered by Government, all sorts of aspects were also considered not least that a Lands Board was under consideration and the final result was that it was considered better to inaugurate the Lands Board, to let the Lands and Surveys Department work to it and to leave the PWD without being increased. Some people, of course, say that even today PWD is too big and this would only make it a bigger giant. This is a matter of opinion but it is Government's opinion that the situation as it stands today is the better opportunity. The sand issue, I agree I said no more money would be spent. The money that is being asked for this year is money that was spent possibly up to eighteen months ago and the debt now has to be paid. Is it the credibility of this Government with ODA that is in doubt or is it the credibility of ODA's consultants with this Government which are in doubt? We may have a court case which will decide that.

HON W T SCOTT:

Can I ask the Honourable Member a question? He did say that these £52,000 was being asked for because of old debts. Can I ask him if there is any possibility that after these £52,000 has or has not been voted, whether that sum is likely to increase in this financial year?

HON M K FEATHERSTONE:

That should clear all the old debts that are outstanding and it is the intention that the Government will spend no more money on the Quarry Company except for the cost of a consultant who will come out to advise us and perhaps be our expert witness in a court action against the consultants.

HON W T SCOTT:

If the Honourable Member would give way. Obviously we have to accept that but it is something in fact that we did hear a few months ago and we are hearing it again.

MR SPEAKER:

Yes, but this is the sort of question you might ask when the amount is going to be voted but not now.

HON M K FEATHERSTONE:

Sick leave for workmen. The Honourable Mr Scott said it was something of the order of two hours per week. I didn't want to jump on him then. I did say last budget session it was .3 of a day per man per week. I can assure the Honourable Member that we monitor this very, very rigorously. I am given returns every single week of the incidence of sick leave and I work out a table which shows me the days lost per man for that week and the average days lost per man throughout the year and I am very happy to say that from a figure of .3 last year, by the end of March, 1982, that figure had fallen to .254. This does not seem to be very great amount but in financial terms it is between £20-£30,000. We are still not satisfied and we shall continue monitoring and taking action against bad offenders but we hope the salutary effect of the action we have taken already will continue because over the last three months the average has dropped considerably and it has been the last three months that has brought a cumulative average down to the figure of .254. I can assure the Honourable Member that we do monitor it very, very well. On the question of training, the number of student technicians and apprentices that we are considering this year is slightly down on last year and that is the reason for a small drop in the actual vote. Now, Sir, if I

were to turn to the vote by itself, item by item as such, I think I have already dealt with the small increase of staff in the Public Works. It is a total increase of five people but as I have said we do have six people who are studying in the United Kingdom. One point that I think is worthy of mention is the question of the stores. The amount of money that we asked for the stores, unallocated stores, last year was £50,000. We have been very much on top of our stores question, we are only bringing in what is absolutely necessary, we are seeing that our turnover is the best we can achieve and we think that this year with £20,000 we can manage to keep our stores working reasonably well. I must congratulate my stores officers who have done this work. It has meant a considerable amount of extra work for them but they now have the Stores working, I think, to a much better effect and we are not getting build-up of stagnant stock to the extent that it was happening before. Now, Sir, on the Public Works Annually Recurrent, there are not many features that I would like to single out except in two points. Under Maintenance of Buildings, Subhead (2) - Offices and Buildings, we have taken in some £320,000 which previously appeared in the I & D Fund. Under the Mechanical Section we have taken in £100,000 for vehicles and plant which once again appeared under the I & D Fund. There is some £400,000 odd which last year appeared in the I & D, this year appears in the Recurrent Estimates so that the I & D is a little smaller than it would have been had those been put on the same basis as last year. One new feature in the Public Works Annually Recurrent which does stem from the investigation into the Public Works Department, it has been suggested and has been accepted by Government that the management of the cemetery would be better under the Public Works Department as regards day-to-day upkeep, not administration, but day-to-day upkeep, and the intention is that the Public Works Department will take over the upkeep of the cemetery and one of the features that does occur in this year's estimates is the taking on of an extra gang of men who will be specially devoted to the task of cleaning up the cemetery and trying to get it into a happier condition than it has been for some years. Now, Sir, turning to the I & D Fund, last year the Public Works Department share was £8,535,000 and we have actually done in the year £7,884,000 which is 92.37% and I think that is a very creditable result. In particular, Sir, in housing, of the total sum that was due to be spent the actual amount spent was 98.98% and housing has been one of our priorities and has been one of the areas where we have pushed very hard. Certain areas have had more than their full amount spent on them, in tourist development, we actually did 133%. In the potable water service, we did 164%. Unfortunately, other areas fell rather short, lamentably schools was one of them, only at 78%. But, all in all, of the Public Works Department share of the I & D Fund we did 92% which I think is very creditable and this year, Sir, again in

the Public Works Department share of the I & D Fund, our share is £8,153,000. If you were to add the £400,000 which I have already mentioned has been shifted into the recurrent expenditure, that is £8½m, just about the same figure or slightly more than last year. I don't think it can be thrown at Government that they are not spending a fair amount on I & D. As has been said looking at the I & D Fund, many of the actual points are carries-over from the previous year but of course the Phase II at Rosia Dale, some 32 new houses, is a completely new item. Another item is the purchase of 6 flats in Devil's Tower Road. These have been offered to Government at a very reasonable price, the flats have been inspected by Public Works and been found to have been built to a very high standard and Government feels that it will assist them in purchasing these outright. As to the quarter at Woodford Cottage, £60,000 may seem to be to some people a lot of money but whether we like it or not, whether you consider they are privileged people or not, there are certain people in Government to whom we have to give a quarter. I think it is well known to both sides of the House that if we bring a specialist, a consultant, out from England, he expects to be given a reasonably good quarter and in many instances today we are having to hire these quarters from the private sector at figures as high as £100 a week. Now £100 a week is £5,000, in twelve years we have got our quarter at Woodford Cottage. I think that that is really a saving in money in the longer term. Another one of the new projects for this year is the extension to Bayside School which we are starting later this year and it will carry over into next year. Last year we put in a small sum of money for urban improvements and we brought out a consultant to give us advice and I think I made a statement in the House that we had looked into the area of the Old Command Education offices. We are actually going to have an exhibition next week to which I think all members of the House will be cordially invited, and you will see some of the suggestions that we have not only for the Command Education area but for partial urbanisation and pedestrianisation of Main Street and this has been something which we have already put through to ODA. We had one of their engineers out here recently, he has been very impressed with the scheme and we hope that this will go ahead. We have also put in, apart from the actual scheme of pedestrianisation, some more money for further consultation of the urban development schemes. We already have out to tender the vehicle testing shed and I think the tenders are due in very shortly and this will be built at the Slaughter House site. It will, I think, fill a very great need in Gibraltar in which motor vehicles can be tested and although we will obviously start with lorries and trade vehicles, we will move on to the private vehicles starting with the older vehicles and gradually moving through so that we can get rid of what one might call some of the old bangers on our roads. My Honourable Colleague has already mentioned the question of the footbridge across Sir Winston Churchill Avenue,

this is something we hope can be done very quickly. We already have tenders from a number of firms and I wouldn't call it an instant bridge but it can be put up in a matter of a few days. The other big feature that we hope to do this year is something that has slipped to some extent from last year and that is the unstuffing shed in the Port and, of course, the big scheme of the Viaduct Causeway. I have said before, Sir, that PWD is a service department. It is a department which comes in for knocks every so often from the Opposition, the Press, sometimes the general public, even the Government themselves they tell me off at times, but I must commend the work of the Public Works Department which basically works on every day of the year unobtrusively. If Public Works were to cease for one week, if you had no fresh water, no sewage, no refuse collectors, no salt water, then you would begin to appreciate just how Public Works quietly do many of the things that make life reasonable. I must congratulate all the members of the Public Works Department, I think Gibraltar owes them a great debt of gratitude for the way they do carry on with their work quietly, often in the face of criticism which is undeserved and unwarranted. We have served in the past, we will serve in the future. Thank you, Sir.

HON A J HAYNES:

Mr Speaker, when approaching the budget we have been informed of the importance and threat to the economy posed by both the threatened closure and the non-opening of the frontier. In this respect, perhaps at somewhat of a tangent I would like to enlarge on a point made by my Honourable Friend, Mr Restano, regarding the House of Commons in Canada. As all Honourable Members know, Mr Speaker, the House of Commons in Canada debated the problems faced by Gibraltar with the closure of the Dockyard. This was brought about as a result of a question asked by a delegate whom I befriended on a CPA Seminar and who as a result of listening to the problems of Gibraltar, was moved enough to take the story back to his House and ask a question. The initial reaction to that question was standoffish. The Government said this is a British domestic matter, it is not our concern. But when he pressed them and he pressed them by bringing the matter up in an adjournment debate, he gave them a full picture of the problem. And moreover, he emphasised the NATO connection and the importance within the alliance that Gibraltar plays. The result of this, Mr Speaker, was that the Canadian Government answered fully to the matter. I think it is a matter of pride for me to say that the Canadian Government expressed the sentiment that they feel historically to be a part of Gibraltar, and they commended the Member for reminding them of this fact. Subsequent to that debate, Mr Speaker, I am informed that because of the Falkland Islands crisis the matter had been again discussed in Canada. I think it is something that could, if in any way it alleviates our problems with the dockyard, have substantial effect. I

would also like, Mr Speaker, to bring to the House information regarding those MP's whom I have the privilege of meeting again in March of this year when I was on this Commonwealth Parliamentary Association Seminar. I was disappointed, Mr Speaker, to find that the vast majority of these Members of Parliament were ill-informed or uninformed as to the problems facing Gibraltar at the moment. I think this is a sorry state of affairs. These MP's after all are our strongest guarantee of our constitutional rights, and in this respect, Mr Speaker, I found that when I addressed them to the problems of Gibraltar I had to start from the beginning, they only knew that the dockyard was closing and they also were of the opinion that this was irreversible, perhaps, now circumstances have changed that. They didn't know any more than they could imagine, i.e., that we would not like it. They were not aware of the severe economic problems that this would pose for us both in relation to the opening of the frontier and the closure of the dockyard. As I said, Mr Speaker, I had the occasion to meet about 40 or 50 of them, they represented all the parties of the House of Commons and it is reassuring to them, Mr Speaker, that they claimed from their number, to be able to account for a majority in the House of Commons. I think this should be borne in mind when we weigh up the importance of the Dockyard problem in relation to the economy, I am confident that we will come through not only on matters pertaining to the Dockyard, even if closure does continue, I am confident that we will be given the kind of transition period or tranches which are necessary to survive. I am also confident that in the matter of ODA with a widespread support we will be able to achieve the programme we wish and as such I don't think that it will be necessary for this Government to further tax the people of Gibraltar. And most important, Mr Speaker, I feel that now that we have such firm friends in Parliament who have shown their conviction and their courage in relation to the Nationality Act and now in their determination to defend us in the matter of the dockyard. I think we must increase the measures by which we can inform them. This is perhaps why we would like to see an increase in the CPA contribution. What we would like to see is closer contact with those MP's. I am not quite sure how best to go about it. I was informed by an MP that perhaps if we had a permanent Public Relations Officer in charge of our problems disseminating news to MPs that that might have a desirable effect. I don't think that we should ever take away the importance that the British/Gibraltar Group has. We should never undermine them because they are MPs, they are that much more powerful and prominent, they are that much stronger and I am very glad to note that this House passed a resolution affording these members of the British Gibraltar Group the Freedom of the City in due course and that is something which I know will go down tremendously in Parliament. Mr Speaker, having discussed the major problems which face us, on which we adopt an all party approach, it is ironic to note that from matters of a lesser nature will nevertheless embitter or

estrange Members of the House one side to the other. I notice that from the Estimates of Expenditure that the main target for economic growth is once again Government itself. The only thing that grows in Gibraltar Mr Speaker, is the Government. I don't think that is a desirable state of affairs. That is not the secret to self-sufficiency, that is to further entrench our position in an artificial economy. Ours has been an artificial economy perforce as a result of the closure of the frontier but we know that this artificial economy is only possible because of the support and sustain policy of the British Government and we also know, Mr Speaker, that this policy is conditional, it is conditional on a closed frontier and I see great problems ahead of us. Even if the dockyard does not close for a period of say 3 or 4 years, if the frontier opens and the ODA to an end we will be faced with enormous problems unless we start cutting down unnecessary expenditure and unless we allow the private sector to bloom and develop. That way the private sector will be able to incorporate the new ranks, the youth of Gibraltar will look to the private sector for employment. As regards the fiscal policy of Government to raise revenue I am not sure what these will be. I do hope that they will not, as I say, prove to be burdensome on the people. I would note, however, with some fear a statement made by the Chief Minister this morning at page 10 of his statement. He says: "The Government is conscious of the need not to introduce budget measures which would place unduly heavy burdens on real income levels but it is important to realise that if Gibraltar is to continue enjoying self-sufficiency in power and water and to continue to maintain a measure of development activity for the provision of more housing and other social services, then consumers and taxpayers must be prepared to meet the cost". Mr Speaker, whilst I understand what the Chief Minister is getting at here, I rather fear that he is paving the way for doing exactly just what he says he is not going to do which is place an unduly heavy burden on real incomes because we already have that. Is he indicating that he is going to increase it even more and if so a justification for it is to continue enjoying self-sufficiency in power and water. As regards water we understand the problems the Government has and for the most part we go along with the measures they are taking. But as regards power, Mr Speaker, I feel that if this Government had been more conscious of the points it is making here now we would not have the problems that we have had with power in Gibraltar. It has been said time and again but that does not detract from its truth that the Preece, Cardew & Rider Report issued in 1976 was not followed up and this resulted in the most enormous power problem of our history. Similarly, as regards a measure of development activity for the provision of more housing, Mr Speaker, if Government with all the money they were given by ODA during the 1970's can only produce Rosia Dale, I would rather they didn't spend any more money and leave it to somebody else. Government must be conscious when they consider

raising revenue they must consider their own efficiency, their own ability to turn this revenue into products which most people want and require. I don't feel that Government is achieving this aim when what they really are developing is Government machinery and the day we are required to dismantle some of that machinery will be a day that a Government will fall. Again, Mr Speaker, I come to the age-old problem of housing. But before that I should like to make some comment on the question of the Public Works Department. I would note in fact that the Honourable Minister for the Public Works Department indicated that the I & D this year is running in the region of £8.5 million. The Public Works Department is bigger, we spend more money on that department than on improvement. And though as the Minister says the Public Works Department is an essential aspect of Gibraltar's life today, it is nevertheless not cost-efficient. We have heard from my friend, the Honourable Mr Restano, that Government accounted for the increase in Public Works Department personnel in the period post - 1978 in order to be able to better achieve and better consummate their development programme. But, Mr Speaker, we still have a very modest development programme as regards housing and one which is still suffering from slippage. We also have, Mr Speaker, the rather bleak outlook where the development programme as regards housing does not offer any real hope to the housing problem of Gibraltar. In fact, Mr Speaker, the Estimates show that the only new development plan for next year is Rosia Dale Phase C. This means, Mr Speaker, that we will have at the end of next year the same number of people waiting on our housing list as we do not, as we have had for the last two years. It seems to be static and around 1,800. It is for this reason, Mr Speaker, that in December of last year the Opposition brought a motion asking Government to re-assess and revise their housing policy. In that motion, Mr Speaker, we asked for a reorganisation and a restructure of the relevant departments. I don't think there is a need for me to go through the points I made at that time again, Mr Speaker, but in broad outline I informed the House of the problems where you have four Ministries all overlapping, all involved in the final product regarding housing and the position was that the right hand didn't know what the left was doing, Mr Speaker. It is for that reason, Mr Speaker, that we are advocating a restructure of the department so that one Minister, one man, can look into all four sections or sectors of the Housing programme. That, nevertheless will result in a much larger Ministry than even the Public Works Ministry is today, Mr Speaker, and it is for that reason that we realise that you need two Ministers running that one department, a junior Minister and a senior Minister. This is a structural programme which Government is in the happy position that it can implement, they are also in the happy position that they have the kind of advisers who can best advise them on this matter. We do know, Mr Speaker, that there is a need for restructure, we see that in the results. Mr Speaker, the end product of an

efficient Housing Department would be, we claim we on this side of the House, a product something similar to the Varyl Begg Project. We have heard in this respect the Honourable Minister for Economic Development ask how is it proposed to raise the revenue. Well, Mr Speaker, a Varyl Begg was built, if it was built twelve years ago it can be done again.

HON A J CANEPA:

If the Honourable Member will give way. Work at Varyl Begg started in October, 1972, and I think that it was completed in 1976. It was financed entirely by ODA funds.

HON A J HAYNES:

Mr Speaker, the Minister still suffers from the same problem and he asks the same question that both he and certainly the Minister for Public Works asked at the time of the motion. They were answered during that motion.

HON A J CANEPA:

If the Honourable Member will give way. How do we build a Varyl Begg Estate? Who is going to give Gibraltar the money? Would he answer that question. Because in Government all we do is to answer but sometimes I think we have a right to ask questions and demand answers from the Opposition.

HON MAJOR R J PELIZA:

Mr Speaker, the Government is asking the Opposition what to do. They ought to change places with us.

HON A J HAYNES:

Mr Speaker, as I say, this question was posed to the Opposition at that December debate and it has been posed again and not only now, Mr Speaker, but on television. We heard the Honourable Minister for Housing, Recreation, Postal Services, Tourism, Sport, etc. say that what we needed was something in the region of £30m or £35m for housing. If that is the case, Mr Speaker, we don't need a Minister, all we need is someone to sign cheques. If you say that a house costs £40,000 and he needs 700, well, you don't need a Minister you just sign a cheque for £30m. You are there to find resources, to find money. Mr Speaker, I need hardly point out that it was not this administration which found the money for Varyl Begg. They did not find the money for Varyl Begg, Mr Speaker, it was another set of men who found it. Perhaps this administration will never find money and even, Mr Speaker, when they do have money and they had plenty of money in the 1970's, they didn't produce anything. All we had was Rosia Dale and I helped build it, Mr Speaker, and I was under-paid, Mr Speaker. If a Varyl Begg is

valued at something like £35m and our overall budget is £47m, then we should never have had a Humphreys, a Moorish Castle Estate, a Laguna, a Glacis, a Varyl Begg. It is not just one large estate that we have, Mr Speaker, we have a number of them but now we need more. To do that, Mr Speaker, you need a number of things. You need a department which is cost-effective and we don't have that, Mr Speaker. If you have a cost-effective department, Mr Speaker, then you have people who are willing to contribute and we on our side of the House have already stated we will go along with increased taxation measures only, however, when we are confident that this money would be spent properly. Government builds flats for public housing at a cost of around £40,000. Private developers build them for substantially less. It is time the Government started building them for less and then quite obviously they would be able to build more.

HON M K FEATHERSTONE:

If the Honourable Member will give way. It is usually a private developer that builds for Government. It is not Government itself that is doing the building, it is private developers that are doing the building and they are the ones who are charging Government £40,000.

HON A J HAYNES:

Mr Speaker, if one can now turn to other matters contained in the Estimates. I again bring up a hobby-horse of mine which is alternative energy sources. We know that this year oil prices are down but we don't know what they are going to be like next year. If, in fact, they go up then not only will the budget be put out of alignment but also inflation will be affected. It is important, Mr Speaker, for this Government to research alternative energy sources and they have a natural ally, a natural organisation which can be used for this in the Commonwealth Parliamentary Association and most especially in the Regional section of the CPA. We have there a small group of places all of which have the same problems we do, they do not have the size to finance something like a nuclear power station. They, too, have the same problems, Mr Speaker, in that they do not like their almost utter reliance on oil. We heard the Honourable Minister for Economic Development advocate the need for independence in water and power and I quite agree with that but some essential services are nevertheless dependent themselves on oil and that is something we do not produce. It is time, Mr Speaker, that that side of the House took heed of the growing interests worldwide in solar energy. Perhaps they should put it to the other members of the CPA who have a similar interest that they should fund jointly a project to develop and research feasibility areas and ideas. In this respect, Mr Speaker, I know that one of the major problems

still in solar energy is connected to the retention of the energy received in any one day or time. The problem is how to store it. I know also that this particular problem can be solved, there are various exercises and projects under way to solve it. It would not harm the CPA to fund from their own finances Universities or other such concerns which may be able to achieve the results we want. In this respect also, Mr Speaker, I would note two other things in which I have been a keen advocate and one is to encourage the local consumption of solar energy by allowing individuals to have more Government help in respect of the installation of solar energy and also though the Minister disagrees with the idea of having solar panels placed on the east side of the Rock on the grounds that they were not pointing east or west, I would point out that solar energy is not based on sunlight. Mr Speaker, the point I am trying to make is that we do not want to be dependent on Spain for water and electricity and similarly we should not be dependent on the Middle East for oil. We should try and look into measures which will make us independent in energy even if it is only in part. Another point, Mr Speaker, I would like to make which is again a fresh point is the question of legal aid. In this respect I would note that there is a certain amount of self-interest but it is nevertheless something which is of concern to me and that is the fact that in civil matters it is almost impossible for someone to become legally aided. The bracket of earnings are such that there is no one who has any employment in Gibraltar who would be entitled to it and I think this should be looked into by Government. This also brings in the broad aspect, Mr Speaker, of the Prison. I see no efforts made by Government to re-house the prison. We know, Mr Speaker, that they were quoted a figure of something like £5m to build a new prison. That is an absurd figure, Mr Speaker, they should send back those experts and build something for less. The reason for this, Mr Speaker, is not only is it a social obligation that we have to prisoners in Gibraltar but it is also a very important point. The prison is sitting on the Moorish Castle, probably the building of the most tourist importance in Gibraltar, it is sitting on a goldmine, Mr Speaker. Mr Speaker, it may cost a certain amount of money to rehouse the prison but if having done that one releases for development a building which I am sure could be made the centre, the linchpin of our tourist industry, it will have been well worth it. I can think of a number of ambitious projects in conjunction with that Castle and I think it is crying out for development and in this respect, Mr Speaker, I notice again the Minister for Economic Development emphasise the importance for creating. . . .

HON A J CANEPA:

On a point of clarification. Could he clarify what he means by development? I don't think he quite means development, I am sure what he has in mind is restoration or preservation. I am not quite sure how we can develop there, it is a protected building.

HON A J HAYNES:

Mr Speaker, I mean that the prison area does not include for the most part original wall structure, it has a lot of walls which are not part of the old castle and these could be removed and a hotel could be built there or a museum. It could be developed, Mr Speaker, into something quite spectacular. Mr Speaker, this has nothing to do with Spain, in Spain they have a system where the Government makes international "Paradores" on castles and other sites of importance and they have achieved remarkable success in those areas. The point is we need to create a broader based tourist infrastructure in Gibraltar not only to meet the problems relating to the Dockyard but also to ensure success following the opening of the frontier and we must start the plan now, Mr Speaker. Lastly, Mr Speaker, I come to the Port. The Port is another of my shadow responsibilities and I feel it is very important to make sure that the Port is a success. We are watching from this side of the House with great interest the development of the Port, following the Port Study, and we shall be keen to follow the results or progress on the Causeway, the Ice Box and the Queen's Stores. I think it is important not only for its own sake, Mr Speaker, but to prove that there is a future for Gibraltar in the Port and also, Mr Speaker, it is important to have a complementary area in our part of the Port if what is now the dockyard becomes a commercial venture. It is important to sell that commercial venture to have a successful Port. On the question of the Port, Mr Speaker, the only problem areas where we don't seem to have much agreement with this administration are in regard to facilities for liners and the ferry. I hope that the ferry problems will be solved when the causeway is built and the liners, well, we shall wait and see. Lastly, Mr Speaker, on the Port, I would note the growing importance as an economic platform for yachts and yacht marinas and I hope that the yacht owners are encouraged to Gibraltar and that more facilities are offered to them. They are a source of revenue which are not being fully exploited, they are there for the calling, Mr Speaker, and that part of the Port must be developed and it must be borne in mind when any designs or plans are being made on jetties. Thank you, Mr Speaker.

MR SPEAKER:

I think we will now recess until tomorrow morning at 10.30 am.

The House recessed at 7.30 pm.

FRIDAY THE 30TH APRIL, 1982

The House resumed at 10.45 am.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I would like first to deal with some points raised by Honourable Members of the Opposition with regard to the Ministries for which I am responsible. I will deal first with the Prison and the desirability of moving the prison from its present position. The Feasibility Report on the Prison was presented just over a year ago and the cost at that time was estimated to be £5m. It was also interesting to read in the Feasibility Report that the costs were deemed to be £5m and then it excluded a number of items which were not costed. I consulted with the Public Works Department on some of the items that were not included in the £5m and in actual fact the figure came nearer to £7m. The Honourable and Learned Mr Haynes remarked that surely the prison could be built at a lower figure than £5m. Well, it is not £5, it was £7m a year ago and now it is even more expensive than £7m. Government has looked at other possible sites to see if it could be built cheaper and just haven't found one. Government's position in this matter is that the best we can do under the present financial restraints that we have is to try and do the best we can with the present prison. In the context of the Moorish Castle complex the Honourable Mr Haynes made some rather exaggerated remarks on the importance, I think, of the Moorish Castle as a tourist attraction. He said it was the linchpin of Gibraltar's tourism. I cannot imagine anyone planning a holiday on the sheer desire to come and visit the Moorish Castle. I have never heard anyone planning a holiday to visit anything, really. They plan holidays to relax, to go to the beaches, to be well attended, to be well looked after. If there are places of attraction they go and visit them but they do not go solely because there are specific historical monuments. I know that there are people who are interested in military affairs and make it a point of going, for example, and visiting all the sites of the Peninsular War, which is very popular especially with ex-military people and with regiments who fought in the past in those particular battles. The same applies to the first world war and the second world war. But to talk about the Moorish Castle being the linchpin of Gibraltar's tourist attraction, I think that is a bit exaggerated. Then he mentioned the question of building an hotel there. Well, I know that the Honourable and Learned Mr Haynes has visited the prison because he is a lawyer, and he must know the terrible inaccessibility of the area. Can you imagine an hotel being built there and buses and taxis and private hire cars having to go there and traders. The whole thing would be chaotic. The Government of Gibraltar submitted the feasibility study for a new prison to the ODA and the ODA has turned it down. In that case the Government had no alternative but to look at other plans and we are doing that at this very moment in a committee where all the interested bodies, the Prison Board, the Superintendent, the Judiciary, the Public Works Department,

chaired by myself, are looking into possible ways of improving the present prison because if we have to do anything it will have to be funded by ourselves and we are not prepared to spend neither £5m or £7m. It would be easy for me as Minister responsible for prison, it makes life far more comfortable and it also makes life more comfortable for the prisoners. I think we have other priorities where we could spend £7m and obviously housing is one of them, if we did have £7m. That would build about 40 units. The other question that was mentioned I think by the Honourable Mr Scott was the Construction Training Centre. Government has approved the payment of an incentive to the training scheme that we have running in the construction industry and we are making room for an extra 30 trainees for this year in September. With regard to the "poor relation" of the Education Department vis-a-vis other departments of Government, I think I work closely with the Honourable Mr Loddie in Education, I think we have established a good relationship and he hits me when he has to hit me. I think he has missed two points. One, which is very obvious, is that the Education Department has spent between £5m-£6m on the Girls' Comprehensive School. I cannot imagine you can call that the poor relation of anybody, I wish somebody would give me £6m. The other point is that the ODA has again refused to give us any money for our social services which includes education and one of the priorities of the Education Department is to do away with the voids in the Boys' Comprehensive School. The extension to that school will be funded by Gibraltar and that is going to cost between £600,000 and £700,000. Again I cannot reconcile that to being called the poor relation of Government. That is money being funded by Gibraltar. It is to be argued whether the capitation for books is enough or not enough. I think Honourable Members should realise that the same recurrent expenditure on books and equipment does not need to happen every year because once you buy certain equipment one year it doesn't necessarily mean that you have to buy it next year especially if you look after the equipment. The capitation really is meant for books and special equipment. Gibraltar's position at the moment with regard to capitation, and I think there are 103 local authorities in UK, is in the first 10 with regard to capitation and I think in the first 4 with regard to pupil/teacher ratio I think the Department of Education despite some constraints has done very well and is doing very well. If we judge education standards by end results which I do not think, really, in my own personal opinion is the way to judge whether a school system is working well, but if we have to judge them by exam results and scholarships then I think we can speak very highly of our teachers, our schools and our pupils. Not about me, I don't count. But certainly of our experienced and qualified teachers of the children and the parents in Gibraltar who take such a great interest in the schools. If the end result is the exams and the scholarships then I think we do better than all Local

Authorities in the United Kingdom. I would like now to turn to some remarks made on the question of the Elderly Persons Pensions which is the hobby horse of the Learned Leader of the Opposition. I was not Minister for Labour, I don't think I was even in Government, because I think this was introduced in 1975. Let me assure the House that if I had been a member of the Government at that time I would have opposed it because it doesn't necessarily mean that because you are 65 you need money. There are younger people who are not 65 and need more money than old people at 65. If I had it my way, I would consider taxing all pensions. That is my attitude. To me it is incomprehensible that a person who might have a pension of £100 a week and then he gets an old age pension of an extra £50 a week is not taxed on the £50. To me it is incomprehensible. I would tax everything, I wouldn't be very popular but I would tax it. To be old doesn't give you the privilege to have more money than to be young. A young married couple with a child who is probably getting as a clerical officer working for Government a net income of about £6,000.

HON MAJOR R J PELIZA:

Will the Honourable Member give way?

HON MAJOR F J DELLIPIANI:

Certainly.

HON MAJOR R J PELIZA:

Perhaps if he were 65 and he had grandchildren he would find how much of his money goes to that family that he is talking about.

MR SPEAKER:

Let us not have any more interruptions. You will be able to have your say in due course.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I think that is the responsibility of the parent and not the grandparent. I want to make it quite clear that if you think the ex-Minister of Labour, now the present Minister for Economic Development, is the tough guy of the Government I can assure you that I am called by my own colleagues "el hueso" and I make no bones about it.

I then come to the question of the Land Board. I find it rather offensive and I know that it was not intended by the Opposition to be offensive, but I find it offensive to question the criteria of the two Ministers who form part of the Land Board. May be they are judging Ministers by what one

hears across the border but I don't think we have come to that standard yet. There is no doubt in my mind that development in Gibraltar cannot be gauged by the money offered for the piece of land - it must be gauged by people who have political knowhow, who are advised by a specialist in economics as to which project will provide the maximum benefit to the economy of Gibraltar and not necessarily which tender has offered the highest sum and that is how sometimes the civil service have acted because their instructions have almost always been even though the lowest tenderer does not always necessarily have to be accepted, is to judge tenderers on the value of the money offered but not on the overall economic impact that a particular tender has to offer to the Government and people of Gibraltar and that is how it should be judged. Land is one of Gibraltar's few assets, we are very limited in our assets and it is precious, land is precious. Government must ensure that whatever is built there must be of the greatest economic benefit for the whole of Gibraltar. I think, in fact, if there has been a failure on the part of it, it is that it hasn't really tightened up the question of utilising that piece of land once it has been awarded. There are still various plots of land which have been awarded to different firms which have not been developed and this is where the Government should step in and tighten control so that as soon as a project is submitted and approved the firm concerned gets on with the work quickly, especially in the situation we are facing now where we have about 250 people in the construction industry with redundancy notices. Government must ensure that all land that has been made available for development must be developed as soon as possible and any future project that comes out must be given on that basis - what is of the ultimate economic benefit to Gibraltar and how fast can you develop. Mr Speaker, referring to the general budget now and the speeches that we heard yesterday, I would like to publicly thank the Regional Director of the Property Services Agency, Mr Corcoran, for announcing that he was awarding 6 apprenticeships this year the same as last year in spite of the British Defence Review. I think he qualified it with the remark that we must ensure that we become self-sufficient with our own labour and that we must train our own youngsters to be craftsmen. I think it is an example for all employers in Gibraltar to follow, that they must show faith in our own people to be able to be as self-sufficient as possible especially in the dark days that lie ahead with the worldwide recession and the possible closure of the dockyard. All employers in Gibraltar must make a real effort to train people for their specific industries and not to depend as it has been easy to depend on bringing people from abroad. We cannot allow a situation to arise in Gibraltar where we have 600 or 700 aliens working in Gibraltar and 600 or 700 Gibraltarians unemployed. I am extremely disturbed that I have not quite recovered yet from the Defence White Paper and the attitude of the British Government to the closure of the dockyard. I do not like the British Government's attitude in

the way the Dockyard issue is being tackled and I am expressing my own opinion. For example, they made it very clear to us that they are allowing the Royal Naval Base to continue. Are they allowing it to continue out of kindness to us or because they actually need it? We have a question here which I would call instead of divorce American style or divorce Italian style, divorce British style. They are trying to divorce the Royal Naval Base, the Dockyard the Airfield and the people of Gibraltar and I am sorry that the people of Gibraltar and the territory of Gibraltar cannot be divorced from the overall Defence Review. The Royal Naval Base, the Dockyard Refit Group, the Airfield and the Gibraltar people all form part of the defence of Western Europe because we have been encouraged by British Governments since the capture of Gibraltar in 1704 to settle here, to service the dockyard, to service the ships and now they want to discard us just like that. The British Government are getting themselves into a very dangerous situation because if, God forbid, the British Government lost control of Gibraltar, and they said: "Ah, but it is a NATO base," I will remind the British Government that when the United States had the airbridge to Israel on the Yom Kippur war, very few of the NATO countries came out with offers of help for their airlift and if Gibraltar is not British and the Gibraltar facilities are not here the day might come when they will not be able to use Gibraltar for any particular scheme that they might have. With regard to the airfield there are happier news. It amazes me how little the British Government appreciates the people of Gibraltar. Has any Gibraltarian complained about the racket that the military aircraft make after midnight? For the past month aircrafts have been in and out at every hour of the day, helicopters flying in and out and we have never complained. If that was in a UK township there would be letters in The Times, in the Daily Telegraph, in the Star, everywhere. We don't complain, we accept it. We have identified ourselves with the British Government. I think the British Government despite all the right noises that they are trying to make are not doing us very well. On the one hand they don't want to give us aid, or they are reluctant to give us aid, and on the other they are trying to tie us up because they don't want us to borrow over a certain amount. They don't give us money and they don't allow us to borrow over a certain amount. I don't think they are being very friendly. I am sorry I have to criticise our friends but that is what friends are for. The British Government through the British/Gibraltar Group, must be made fully aware not only of the dockyard but of the attitude of the people of Gibraltar in their times of need. The airfield is playing a very important part in the Falkland task force and I know because I monitor their Air Traffic Control Tower and I see them and I hear them so let us have no nonsense about Gibraltar not forming part of any Defence Review. I am not in a position to criticise the British Defence Review but I think it was General Carver who criticised the Trident decision some years

ago when he resigned. On the other hand they are also talking that they were still going to have a fairly big naval surface ship but that they were going to be so advanced that the Gibraltar Dockyard has not got the facilities to deal with them. I say to the British Government: "Give us the facilities and we will deal with them". One thing that has struck me with my contacts with the potential operators of the dockyard when they have come to see me as Minister for Labour is that they have been really shocked by the lack of Gibraltarian middle management in the dockyard and I am talking of the administration and the technical side. They were shocked and it is incomprehensible to me where we have the ability to train youngsters who do wonders in UK, who come first in Faraday College, in Oxford in just about every field you can think of, that they should never have been given the opportunity to have a really good structure and responsibility posts in the dockyard. It has been jobs for the boys for year after year after year and if they have high overheads it is because of all the fringe benefits this middle management have in the dockyard. If they really went into it and did a cost analysis I am sure they could make substantial savings and the dockyard would still be economically and strategically valuable to the British Government. I must refer to the British Government's attitude towards Spain and their present lack of understanding of the economic situation of Gibraltar. They see the border opening and that's it, that's the end of our problems. I don't think that Britain has realised that Spain is not a friendly country towards Gibraltar or a friendly country towards Britain. In conversations that I have had with officials from the Foreign and Commonwealth Office they have always said that the only stumbling block to Spanish-Anglo relations is Gibraltar. Gibraltar is the stumbling block. Well, last night they didn't prove very friendly to the Argentinian situation either because in the European Council out of 21 members only Spain did not vote in favour of the resolution with regard to the Falkland Islands. I hope Mr Derek Hurd, the Minister of State at the Foreign and Commonwealth Office takes due notice of the attitude that Spain has adopted. Gibraltar has come to a position that we still need massive aid to recover from the Spanish blockade. The Spanish blockade is still there. The air ban is still there. We are still dealing with a hostile country. Our only means of survival and of keeping our identity is if we have a healthy economy because otherwise we are going to be swallowed up just like Falkland Islands were swallowed up. Despite all friendly noises that come from Spain, in their Defence Committee only this week they talked of NATO the territorial integrity of Spain, the guarding of the Constitution and the recovery of Gibraltar. This is their Defence Committee. Again I hope the British Government has taken note. Gibraltar is in a position now where if the dockyard closes as they want it to close in 11 months time, the situation will become chaotic because there are increasing pressures from all traders in Gibraltar, from all industries, to bring in an

alian labour force for the opening of the frontier. If that border opens and we give in easily to that kind of pressure we could find ourselves in a situation where we would have 600 or 700 aliens working in Gibraltar and 600 or 700 Gibraltarians in the dole queue. Are we going to allow that situation to happen? I ask every employer in Gibraltar to have faith in Gibraltar, to look inwards first and then if they cannot find what they want or we cannot train what they want, look outwards but let us look inwards first because once we have a situation where we have 600 aliens working, it is going to take very tough measures and very hard political decisions to throw them out. In conclusion, Mr Speaker, I would like the Opposition to realise that Gibraltar is going through a very critical period both politically and economically and it is harder to show restraint in expenditure and easier to give away lollipops and sweets and cakes. We have to look and prepare ourselves for the future and the future is very obscure. Let us not indulge in making departments bigger and improving departments and then finding ourselves in the sorry situation of having to cut back. It is better to grow slowly than having to cut back. Thank you, Mr Speaker.

HON MAJOR R J PELIZA:

Mr Speaker, I would like to start by thanking you for providing me with the hearing aid which I find extremely useful. Not only, Mr Speaker, because you can hear what the other side is saying with great clarity but also because you can switch yourself off when they are talking a lot of nonsense as they always do on many occasions. I would commend it to other members of the House, Mr Speaker, because we are all inclined to do the same thing at times.

MR SPEAKER:

That is certainly not the reason why you have been provided with the hearing aid.

HON MAJOR R J PELIZA:

Mr Speaker, one thing that I have always asked and I don't think I am getting any closer to the goal is the index for the Hansard. I don't know if any progress has been made I know it is a question of staff for the House of Assembly but we must if necessary increase the staff. If we are going to have volumes and volumes of written matter about what is going on in this House it is really absolutely useless if there is no index to assist Members.

MR SPEAKER:

Without wanting to join issue with you I would not say that the Hansards are completely useless without an index. I accept that it would be more useful to have an index.

HON MAJOR R J PELIZA:

Mr Speaker, it all depends on how much time you have. Of course they are useful but they are not all that useful as they could be and I think if an index were produced the value of the Hansard would be enhanced 300, 400 or 500 times and any individual who comes to Gibraltar who would like to look at something would be able to get to it in a matter of minutes whilst now it would probably take months to do so. If we had an index perhaps it would then make the individuals who stand up to speak even more cautious of what they say because people could find out what they said much more easily than they do now. I would like to start, Mr Speaker, by referring to the last speaker who I am very pleased to see feels very strongly about the closure of the dockyard and has not minced his words about it. What a pity, Mr Speaker, that he did not try to influence the Financial and Development Secretary to develop this matter, which is in fact the most important matter that we are facing today. Not a word, really, not a word of substance in the statement of the Financial and Development Secretary. He talked about the international economic situation. Very interesting, very academical, Mr Speaker, but it doesn't refer to the bread and butter of the Gibraltarians which is what we are interested in this House. There has been a report, Mr Speaker, there has been a report, a very extensive report, on the viability of turning the dockyard into a commercial concern. Something that interests every individual in Gibraltar. It is confidential, another confidential paper. What is the good of the Minister standing up and saying all the terrible things that are going to happen and not disclosing the details of what the effects are likely to be. Then, Mr Speaker, we would all be able to make an intelligent assessment but all that is now happening is that everybody is emotionally confused when we should in fact be putting our heads together and trying if possible to produce an alternative to that and seeing in fact whether the alternative is going to work or not. From what I gather it is going to be very, very difficult to make alternative work and because it is confidential, Mr Speaker, because it is confidential members of Parliament in England cannot even discuss it intelligently which is a great pity because we all say that our best friends are in England in the Houses of Parliament and it is from them that we can get support, but if we do not give them the ammunition how can they fight for us without ammunition? Who is keeping that report confidential? Is it the Gibraltar Government? Is it the Foreign Office? Is it His Excellency the Governor? Who? Is there any state secret in that report? Not to my knowledge. Three consultants, Mr Speaker, have been working on that. None of them to my knowledge have been in any way tested vetted for security. There is absolutely no security attached to it, Mr Speaker. What there is, of course, is a wealth of information which will give the people of Gibraltar a very good idea of

what the consequences are and no doubt a sincere man like the Minister for Labour who feels very strongly could not resist standing up and speaking in the way he did. What a pity that he didn't do that in the Council of Ministers and convinced the Chief Minister that he should bring this up. The Minister told the House that we must realise that we are now in the most difficult position Gibraltar has ever been. Well, we all know that, Mr Speaker, he need not tell us. I am certainly aware of the difficulties but what I am very sorry to see is that the Honourable the Financial and Development Secretary has not dedicated what I would have thought considerable time on that issue in his statement. Then we go to the Chief Minister, and he produces, Mr Speaker, a statement which I call a policy statement of no policy because they haven't got a policy. If you read through his statement, Mr Speaker, right from the beginning it is all if and when, we do not know and we do not know what is going to happen and on the only thing that we know, the only thing that we know is that tourism is the other pillar of our economy and on tourism nothing is said. Mr Speaker, the Government is crying in the wilderness the same as John the Baptist but at least he said the prophet is coming but the Government doesn't know, they don't even have a compass in the middle of the desert that they are in, Mr Speaker. This is the position of the Government today and the more you read the statement of the Chief Minister the more you sense it. Not only that, they are in the middle of the desert with their hands tied behind their backs. If they cannot get the money from the ODA, as they say they cannot, that is what the Honourable Minister for Development said, we are not getting the cooperation that we should. I certainly would not stand sitting down and wait week after week and month after month and all he can say is: "We cannot build houses because we cannot get the money", and the result is, what have we got in Gibraltar after so many years of AACR Government? A traffic thrombosis and housing anaemia, the two terrible diseases of Gibraltar, Mr Speaker. This is what they have contributed to Gibraltar. And, of course, if they carry on like that the patient is going to die, I have no doubt about that in my mind. It needs, Mr Speaker, being put into the Intensive Care Unit pretty quick, that is what Gibraltar needs and it is no good the Minister for Development talking in the way he does. If he feels he cannot do what he thinks is absolutely necessary for Gibraltar he should resign. He asked how did we get Varyl Begg Estate. I am going to tell him how he got it. It wasn't easy at all to get the money. I am going to tell him and I am going to tell him, too, that we got not just the Varyl Begg. We got Varyl Begg, we got Ocean Heights, we got the Health Centre, we have got the Hostel, we had commitment, total commitment to Comprehensive Schools both Boys, for which we got the money and the Girls, in principle, and we got money to aid our television programmes and to assist, if this was recurrent, to assist old age people and young children to go

on holiday. When I went to the table, Mr Speaker, and we had a very well prepared plan, the first thing that the officials told us was that we could not use that money and we said we could. And when I saw that there was no movement whatsoever I said: "Good morning, I am walking out", and I was going to walk out and I was going to see the press and ask what they meant by support and sustain, that is what I was going to do, and they knew it. But, of course, when they saw that that was what was going to happen then the whole attitude changed and then, Mr Speaker, we got Varyl Begg. If you start from the beginning saying we cannot get it, you are not going to get it.

HON MAJOR F J DELLIPIANI:

If the Honourable Member will give way. He left out the money he got also for the Vertical Tube Evaporator, the VTE, the distiller at the Viaduct, which never worked.

HON MAJOR R J PELIZA:

The distiller, that's right and the distiller. Well, forget about whether it worked or not. They didn't make it work, Mr Speaker, that is a different matter, the same as they didn't build the houses the way they should have built them. That is a different matter.

HON M K FEATHERSTONE:

If the Honourable Member will give way. It was the FWD engineers that made it work not the Atomic Energy Commission in whom so much faith was placed by the Honourable Mr Peliza.

HON MAJOR R J PELIZA:

Mr Speaker, whatever it is we are getting water from there and if there had been no distiller there would have been no water. Mr Speaker, this is one virtue that I have, when I stand the Ministers speak, when I sit they go mute. Another point, a very good thing, is that they listen to me which I think is also very important. There was also encouragement to other developers, one of which was Holiday Inn and I might as well mention this because there was this question of the parking site. The parking sites for Holiday Inn, Mr Speaker, was part of the scheme to a man who I terribly admire because he produced Holiday Inn without asking for one single penny from the Government. Not only that, he committed himself even then to the Marina which we see today. That, Mr Speaker, is the reason why some parking places were given. Mr Speaker, it is absolutely useless to come and ask the Opposition how to get things done as the Honourable the Minister for Development usually does. He asks the Opposition: "You tell me how you are going to get the money, you tell me how you are going to do this, you tell me how you are going to do that", Mr Speaker,

it is the Government that has got to do it. If they haven't got the skill, the ability to do it, then as I said before, I would resign and let the people on the other side who say they can do it have a go. Maybe we will fail, maybe, I think we would win. I honestly believe so. Because if you look back, Mr Speaker, we have been saying things time and again and, eventually, after a lot of pressure, the Government has got to come round. Let me get back to the policy or no policy statement of the Chief Minister, Mr Speaker. It makes very interesting reading, because you see, Mr Speaker, when you write something and you say something no matter how you dress it up you always see the thinking behind it, it is inevitable to hide that. No writer and no speaker can hide what he really is and as you read through the statement you understand the reason why we are in the state that we are. He said: "The theme of this year's budget must be caution, prudence and consolidation in the face of many uncertainties". It is the uncertainties, Mr Speaker, that he is thinking about, not the certainties. Anyone would say that you have to get hold of certainties, bring them out build on that. That is what I would have done, bring out the certainties and the certainty, as I said before, there are one or two only. I think there is one certainty, whatever happens, and I don't think anybody can doubt that, and that is that tourism is the industry that must be developed. Has the Chief Minister said anything about that in his statement? I haven't seen anything about it at all. Is this reflected in the Estimates Mr Speaker? What increase have we got in this? - Tourist Office, £21,000. The major industry in Gibraltar, the only extra that we are going to spend on that industry is £21,000. Mr Speaker, what policy has the Government got? The one that you can build on you don't and the one you don't know about you pour money into, for instance, the opening of the frontier. Without hesitation, notwithstanding it was not opened on the 20th April, immediately they spend £700,000 in employing more people. I suppose a little money must have gone in the painting of the streets and so forth and so on. They put money on the uncertainties and it is bad gambling, Mr Speaker, very bad gambling.

HON CHIEF MINISTER:

What is certain?

HON MAJOR R J PELIZA:

I am saying what is certain, what is certain is that one big industry that we have got to develop is tourism and to that you only add £21,000. To the other one, which might have happened, immediately without hesitation you spend £700,000. Mr Speaker, it isn't because I am saying it now, I have been saying this all the time for a long time now on the question of tourism. Regardless of what may happen to the dockyard or what may happen with the frontier we have got to develop

tourism in Gibraltar because it is a good source of income. This is why, Mr Speaker, I try so hard to get the Minister to get the question of the Tourist Board going, which he has. But has he consulted the Tourist Board before the Estimates? Has he been to them and asked them where they think we ought to put more money on and how much? Really consulted them, really taken them into his bosom. That is leadership, Mr Speaker, and I am sure that if the Minister had succeeded in doing that he would not have come asking only for £21,000 more than he has got now. I don't believe that that would be possible otherwise the hoteliers themselves, I think, are lacking because they know perfectly well that in any business, whatever kind of business it is, if you want to get any benefits you have got to invest. When I talk about invest in this instance the same as one would invest in any other general income for Gibraltar, this is one of the main incomes in Gibraltar and what do we see from the picture that the Financial and Development Secretary paints about this industry? These are his words: "Tourism - 1981 was a disappointing year for the tourist industry in Gibraltar. It was particularly bad for hotels. The total number of visitor arrivals fell from 154,000 in 1980 to 132,000 in 1981, a fall of around 14%. This was the lowest recorded number of arrivals since 1978. Air and Sea arrivals fell by 7% and 17% respectively. Arrivals at hotels fell more sharply by 19%. Since the closure of the frontier, hotel arrivals have only been lower in 1977 and, marginally, in 1972. Guest nights sold and sleeper occupancy rates were at their lowest recorded level since 1972, falling by around 30% and 25% respectively. Tourist expenditure in Gibraltar is estimated at £11m for 1981 compared with £10.4 in 1980. This represented a 5% drop in real terms.

MR SPEAKER:

We must not read the whole statement again.

HON MAJOR R J PELIZA:

Mr Speaker, I am not going to. I am just going to quote some figures which I feel are essential. I continue quoting: "Expenditure from excursionists and yachting traffic continued to be the highest per capita. Regrettably yacht arrivals fell slightly from 4445 in 1980 to 4281 in 1981, a drop of 4%". This is the picture of one of our major industries. No attempt by the Chief Minister to come along with some vigour and enthusiasm and imagination as to how one is to prop up this industry which is suffering terribly. Not a word of that in the statement. Where is the policy of the Government? The dockyard. But we know, Mr Speaker, that in the case of the dockyard either we take the bull by the horns or we insist on something to replace it. There is no middle way because if we fall short then we are going to sink and everything that the Minister for Development said yesterday that we must have

our own water, we must have our own electricity because we must be independent, are hollow words Mr Speaker. It doesn't stand because literally, Mr Speaker, if we haven't got an economy which is going, which will enable us to sustain those services, whether we like it or not we will have to drink water from the other tap. Because if you close one tap and you have to drink, whether you like it or not you will have to drink from the other tap. It is absolutely silly to suggest that by keeping our services going we are going to exist. The only way we can keep our services going, Mr Speaker, is if we keep our economy going. And to keep our economy going we have got to show much more energy in tackling the problem than we have done so far. Whilst I fully agree that we must not lead the people over the cliff, at the same time we must do everything possible to bring to the attention of our friends that this is a reality. I am not suggesting for one moment that this is being done deliberately. Perhaps the closure of the dockyard is part of the defence plan. But whether it is done deliberately or whether it is not done deliberately the outcome is going to be the same and this has got to be pointed out to people in England who do not realise it. They don't realise that this is the be all and end of Gibraltar and unless we have some definite replacement for it which is viable, as my Honourable Friend here keeps saying, there must be no total closure until we have something to replace it which will keep the place going and if we don't go out and fight quick, time is running out, we have seen it. Maybe the Falklands crisis will bring to the foreground the right of self-determination of the people and may be they will realise that you don't only use that right by force but also by economic impotence and that economic impotence is what we have to bring to the notice of the people of Great Britain because if they are prepared to send people to shed their blood to the Falkland Islands surely they must be prepared to keep us going with the few million pounds which are required. I don't know what the task force is costing but it must cost a couple of million pounds a day. Forget about the money, think of the blood, Mr Speaker. People who might die, people who have already died. How can you really say it is right to fight for the Falklands in the way that they are doing and we are not going to do something, however little, to keep the people of Gibraltar going. It is no good sitting down on those benches opposite and saying we cannot do it, we have got to do it. Why do you think, Mr Speaker, that time after time I have said in this House that we must get the tourist office used politically in order to get the people in Britain to get to know. No, it has fallen on deaf ears, they won't do it, and now they begin to realise how important that is and I tell them again, Mr Speaker, it is vital, absolutely vital, that we use that office to protect the image of Gibraltar and to show the people of Britain what the situation in Gibraltar is. There are many other problems, hundreds of them particularly in England affecting themselves. How can you expect the

ordinary man in the street to think about Gibraltar unless you bring it to their notice time and time again? How can you expect Members of Parliament who have thousands of people calling on them from their own constituency to be able of their own accord to think about Gibraltar unless you knock at the door as well. This is why, Mr Speaker, my friend was saying how important it is to keep the CPA vote going especially when you realise that through the efforts of the CPA and particularly my Honourable Friend, Mr Haynes, the matter of Gibraltar was debated in the Canadian Parliament and it was favourable, then you realise how important it is to sell Gibraltar in every aspect. So, Mr Speaker, it is not much good just lamenting and doing nothing about it. Something has to be done and something has to be done quick. The more we wait the more difficult it is going to be but as I say it may be that now that the world and particularly Britain has realised the problem in the Falklands, the more attention will be paid to us. Having said that I think we must also realise that there is also a school of thought in England that a small community should not have the right to veto the decision of Parliament or of the Government on matters that are of national interest to them and there are people unfortunately, already in Britain and in Parliament who are questioning the right of self-determination of the Falkland Islanders. We know from the FAC report that there are people in Parliament even with regard to Gibraltar who feel the same way. Even if the battle, the military battle, the diplomatic battle of the Falklands is won, there still remains the final battle of the right of self-determination of the people of the Falklands because we know that Ministers have gone there of both governments who are more or less forcing them to accept a lease of 50 years. No wonder, Mr Speaker, after that, if you see that and you see the scuttling of the scuttling of the service fleet, it is obvious that probably the Argentinians thought they are more or less asking them to take it over. They were almost invited to raid the islands and that is the position that we must try and avoid in Gibraltar, Mr Speaker. We must use every conceivable way of bringing to the attention of the people who support us in Parliament about the right of the Gibraltarians to live as a community of the importance of having economic support for Gibraltar. I am not going to say that we must now lie idle and forget about it and expect the British people to feed us, as it were. We have got to do our level best ourselves to see that we justify our existence by whichever way we can contribute and with that I entirely agree with the Chief Minister. Let us not say that I don't sometimes follow his arguments. I do hope that in that respect everybody in Gibraltar whatever his political shade and whatever his profession or working situation may be, should realise that we cannot expect to be carried. We have to use our own resources and we are, I think, a resourceful people. What we need is leadership which unfortunately at the moment we do not seem to be getting. Another malady we suffer from, apart from the

traffic thrombosis and the housing anaemia, is mental confusion. We have political mental confusion, Mr Speaker, in Gibraltar at the moment. No one in the street knows whether he is coming or going. Everything has a question mark whichever way you look. Someone must stand up, Mr Speaker, and obviously it is the Chief Minister and give the right leadership. He knows, I have said so publicly on television, that he can certainly count on the Opposition, he can certainly count on me, but the leadership must come and the decision must be taken openly and squarely and he knows perfectly well, Mr Speaker, that when the chips are down he has got the support of everybody. But somehow he has got to tackle those problems, he has got to publish that report of the dockyard, Mr Speaker, without hesitation, quickly. I would like to see the Preece, Cardew and Rider Report as well but that is purely internal. Let us do away with secretive government, let us have open government, Mr Speaker, and then there will be no mental confusion. Then think of how you can get people in Gibraltar to spend the money rightly. Housing, Mr Speaker. I don't think you can expect people in Britain to say: "Here you are, more money for housing", just like that unless we justify the reason why we want it so we have got to somehow find ways of doing that but there has been no imagination at all. If you look at the number of people who own houses in Gibraltar you will find that the figures are: Government rented 5,110; privately rented 2,244; owner/occupier 219. Yet the people cannot spend their money and what do they do, more cares, more gimmicks, when really if with imagination someone had come to show them that buying a house is an investment in itself, that is where the money would have gone, Mr Speaker, and lots of our problems would not be there.

HON M K FEATHERSTONE:

If the Honourable Member will give way. I told him that, I think, in 1971 and he said exactly the opposite. I said in 1971 that what we had to do was to encourage people, I think it was on the advent of the special powers for housing Bill and the question came up in which I said that all the money in Gibraltar was devoted to consumer goods and the Honourable then Chief Minister, Major Peliza said what we wanted was for people to have the consumer goods, we were not all that interested in their having their own houses. I am glad to see he has at last come round to the AACR way of thinking.

HON MAJOR R J PELIZA:

With all due respect that is not so because in fact I had a scheme for that and I have said it in this House before and I will be glad to repeat it again. The scheme was going to be in Engineer House and the scheme was to start by getting people who were wanting to get married into those houses

because they were the only people who could afford it then. Now, of course, there is much more money. The idea was, Mr Speaker, particularly through employers, that we should start with perhaps studio flats because the cost then related of course to income which was very low and some of the better employers like the banks, Blands, the bigger ones, might give loans to their employees and even Government might be prepared to do that. One way people might get money from was the Mackintosh Trust and I spoke to Mr Serfaty who was then concerned with that. I think that this is one of the occasions, Mr Speaker, when I would have switched off my hearing aid because Mr Featherstone is talking a lot of nonsense. What I was saying is, and this is true, that we were interested in people increasing their standard of living, of course, I still am. I am not suggesting for one moment that people should not have all the benefits of a modern society. But it so happens, luckily, due to parity, a lot of money has come into Gibraltar. And this is the situation, this is when the position was to grab the situation and make sure that these people use that money in the right direction. This is what I was saying, Mr Speaker. This is a different situation altogether. Now we have got to the stage where the Financial Secretary says that have even saturated that situation. The sales of consumer goods have been saturated. Here you have people with money and they don't know what to do. What a pity, Mr Speaker. What a lack of vision on the part of the Government, what a lack of policy on the part of the Government. And so we come to another year of estimates. It is more like book-keeping, Mr Speaker, than estimates. We do not want the Government to be book-keepers, we want a Government who have got a policy, a way to lead forward, a way to overcome the problems. That is not available, Mr Speaker, on the other side of the House, I am very sorry to say, it is just not there. For as long, Mr Speaker, as they remain as they are now, unless my speaking today in the forceful manner that I am doing deliberately to stir them up, unless they are stirred up, Mr Speaker, the future of Gibraltar is not all that bright because unless we do something ourselves, nobody is going to do it for us. Mr Speaker, one good point but again not emphasised. Another certainty of which I think again we have not made enough - Gibraltar as a financial centre. I asked from the Gibraltar Tourist Office if they had a leaflet, anything, but they haven't got it Mr Speaker, they haven't got it. If you write to the Isle of Man or Jersey they immediately send you a folder. Not here, that is not available in the Gibraltar Tourist Office which is where it should be if we were to enlarge the whole thing but it isn't so. So here we have, Mr Speaker, another pillar, another thing which I think we should develop now without any hesitation, regardless of the dockyard, forget about the dockyard. Are we pressing hard on that? Are we going full speed ahead or are we still on a tramp steamer, Mr Speaker? I think we are. Are we creating facilities for not just outsiders? Now we are beginning to see the light, now

I think we are going to give a chance to the Gibraltarians to invest more money here. The Post Office Savings Bank, Mr Speaker, what do they get there? No encouragement at all for people to save money in Gibraltar. Discouragement, if anything, and so people put their money outside Gibraltar. It is obvious. We have got to be realistic about this, this is going to happen. It is no good thinking in any other way. If we are going to make this a financial centre let us get down to it with determination and enthusiasm but it isn't there you don't see, Mr Speaker, it doesn't come out of the statement. It doesn't come out of any speaker. No enthusiasm, no definite plans. I would have liked the Government to have said something about this today in the statement of policy of the Chief Minister. It is a pity, Mr Speaker, it is a pity because there I think we might be able to find considerable employment. I understand that even with the way that we are acting two big banks are coming to Gibraltar and I hope many more will come. I am glad Mr Speaker, that legislation is coming out in that respect and I congratulate those concerned particularly the Honourable the Financial and Development Secretary who must, of course, have had a lot to do with it. I congratulate him on that. I am very glad to see that in that respect we are going to ensure that whoever establishes himself in a financial centre are banks of repute which cannot be questioned in any way because if we want to be a strong base it is vital that those who use the base have a total confidence in it. They obviously have the total political confidence in Gibraltar because however much we may be at this moment discussing this matter with vigour, Mr Speaker, I think we all know that basically there is no difference, it might be a difference of approach but certainly no difference in aims.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, perhaps the Honourable Member will not mind if I interrupt to ask him, does he think that he will get the sort of banks that we want here, banks of quality, by pushing out bits of paper in a London Tourist Office or will we get them by my sitting down and talking to bankers who come and express an interest? That is how we get banks of quality and we don't get banks of quality as they do in the Isle of Man and other places and go broke.

HON MAJOR R J PELIZA:

Mr Speaker, there are two things. There are the banks who I agree are not going to come as a result of a leaflet that we send. It would be infantile of me to think that that was going to happen. I am thinking of the client, that is what I am thinking about. Those are the people who I am saying the leaflets should go to. Not the banks, of course not. I mean the ordinary man in the street who is looking for a place where to invest his money. He is the one who has got

to know about that and he is the one who requires the leaflet. I hope that this in some way will enlighten the Financial and Development Secretary who obviously has not realised that point. I know that the big banks are not going to come as a result of a little leaflet you push under the door. That was obviously not my intention. Mr Speaker, I am very glad that that is being done but I think more, much more, should be done in that respect. Finally, Mr Speaker, we come to the Port which is another source of income. There again statistics are going down. I remember some time back that the dues went up and I said: "Be careful, if you start pushing things up it can be counter productive. I am not saying that that is the reason for it."

HON A J CANEPA:

Is the Honourable Member talking about the export duty on oil, is that what he is referring to in the time of my predecessor, the Honourable Mr Serfaty? It does not seem to have made a lot of difference because we have been able to do very well on exports on fuel oil.

HON MAJOR R J PELIZA:

It takes time, Mr Speaker, for things to sink down. It so happens, Mr Speaker, that captains eventually have their accounts looked at the same as we do with our accounts here and someone will come up and say: "There is another place opposite where you can get it cheaper so what the hell are you doing going to Gibraltar?"

HON A J CANEPA:

If my Honourable Friend will give way. I am sure he will find it helpful if I tell him that as from the 1st of January we have in fact waived tonnage dues for ships that call for bunkers.

HON MAJOR R J PELIZA:

So after all I was right, Mr Speaker, he is going to give them an incentive. They have realised, Mr Speaker, that they want a little bit of extra there which they could do without and which would be an incentive to come to Gibraltar after having seen that the figures were going down. I suggest to them that they do more than that because anyone who has been in the Port trade will find out that the Captains usually go to a port which the crew is interested in going to and the crew usually goes to a port where they can find and they can buy things cheaper than in other places. I am coming therefore, Mr Speaker, to the other point which is vital, and that is to make Gibraltar a good shopping centre. I have been saying this for many years. I am coming back to what was disputed when my Honourable Friend

suggested VAT and the answer was that it was going to create a lot of problems. Mr Speaker, when I came into Government PAYE was one of the things that I wanted to introduce and I would have introduced it in my time but the first thing I got from officials was that it was going to be very difficult, that it was going to be almost impossible but, of course, it has been done. And, of course, it is the best way of collecting money, Mr Speaker, and it is, in fact, the thing that is keeping the income tax afloat. The same thing has been said about VAT and the Savings Bank but I have no doubt it will come because it is obvious, Mr Speaker, that if I have to pay duty, particularly in Gibraltar, where you buy in bulk when it comes in and I have got to store that for months on end, that because part of the cost of the item, you cannot help it and, therefore, that element goes into the sale cost of that. But if it is done when you sell it then, Mr Speaker, all that the individual pays is the tax but not the margin of cost that the importer must necessarily have to put into it. Gibraltar is different to other places. In England, or anywhere, the retailer, Mr Speaker, doesn't carry a stock, the only stock he carries is what he has in the shop and when someone comes along and buys whatever it might be, a pair of shoes, a washing machine or whatever it is, all he does is he rings up and says: "When you come round drop one of those machines". That is the way it is. He hasn't got to carry six months stock and equally, Mr Speaker, he hasn't got to have the spares either because the companies have got their own servicing network. But here, Mr Speaker, you carry stocks of spares ranging from about £30,000 or £40,000 and you find that most of that eventually you have to throw into the sea because the components of the machines are changing almost every six months even if the model doesn't change. If the manufacturer can find a switch that is cheaper he will change the old switch for the new switch but the new switch is not the same as the old one and does not fit in the same place. All these problems, Mr Speaker, if you start charging import duty at the moment of coming in you have to add to your price. I have been saying this time and again. I am sure that the same as VAT is collected in England, and I know it is very simple, it could likewise be done here. If that cannot be done then let us have some way of sales tax that goes when the item is sold. There used to be a sales tax in England, it can be introduced in Gibraltar and it will make, I think, shopping first of all better for the Gibraltarian because as I said last time the people who make the money are not in fact the traders, the people who make the money are the banks who provide the overdraft, and in most instances the bank is not a local bank and therefore the profit of that goes out of our economy. For all those reasons I commend to the Government to study this carefully because it is absolutely important they do and so make Gibraltar a more competitive commercial centre. But I go further than that, I think that in the same way as people in England who buy things can recover the VAT on their way out, we must do exactly the same thing in Gibraltar

so that if there are people coming to buy in Gibraltar, as they go through they can get the VAT back. That will make Gibraltar a much more attractive centre, Mr Speaker. Or if they do not get the full amount let them get some. That is the thing that is not only going to bring more ships to Gibraltar but I think straight away it will bring more people over from Morocco. Of that I have no doubt. We mustn't think of tourism in the terms of an open frontier. If we want to keep our independence on water and electricity we must keep our independence economically as well and we must make our tourist industry viable regardless of the state of the frontier. I know that at one time the Minister said that there was nothing we could do unless the frontier opened, that was his mentality once, he said it in the press and he said it here. Then he changed his mind and I am glad he changed his mind but I hope he has changed his mind for good.

HON H J ZAMMITT:

I cannot recall ever having said that I only depended on tourism with an open frontier situation. In fact my policy has been and Government's policy has been to depend almost entirely on the UK market on tourism. He must have misinterpreted, misheard or his hearing aid must be faulty.

HON MAJOR R J PELIZA:

I neither misheard it and in fact it is printed in the Chronicle. That is what I think and I feel that he put his emphasis too much on that. You read it in the papers, it is always with an open frontier everything will be much easier. Of course, it will be much easier but forget about the open frontier as far as tourism is concerned. Concentrate and put all the efforts into the siege economy. Let us make ourselves independent in that respect, let us push. Why is it, Mr Speaker, if this is not so as I said before that we so readily spent £700,000 because the frontier was going to open and only £21,000 on tourism on the future of Gibraltar as an independent entity. Why, if not because that is the thinking Mr Speaker? It must be that the thinking otherwise you put the money where your mouth is. I would like the Minister to explain to me why the only thing he can find to try and move this part of the economy forward is £21,000. Has he been told by the hoteliers not to spend more money? I doubt it. Mr Speaker, I am just trying to prove the point of the mental approach. As I said before, whatever you say in the end it is the way you put it that reflects what your thinking is. I have no doubt in my mind that they are not putting sufficient emphasis on the importance of making our economy independent of the dockyard. I am the first one to say if the frontier opens: "Fine, that is a bonus, let them come in", although there are going to be serious problems, very serious problems when that happens. In the present situation, Mr Speaker, when there is tremendous animosity over the Falklands and perhaps it was a Godsend in some respects

that the frontier did not open. We could have had serious international incidents inside Gibraltar which might have led instead of bringing us closer together in a spirit of friendship and all the rest of it which is the intention of the Lisbon Agreement, might have driven us further apart and in that respect, Mr Speaker, you never know. Careful thought should be given to the 25th of June depending on what the situation is like. Of course our gates are open and will remain open and it is up to them but the consequences could be very serious, very serious both in Spain itself, Mr Speaker, but we are not discussing international politics now. Mr Speaker, there are one or two more points that I usually bring up. One is the importance of air communications. It is clear that unless we increase the capacity of our carriers it is going to be almost impossible to increase tourism in Gibraltar but I am sorry to say that nothing has been done. I keep saying that if we cannot find the operators then it is up to the Government to start operating itself because this is our lifeline, there is no question about it but all we do is lament and cry in the wilderness, Mr Speaker, that is all we do. We have an 80% load factor but no more planes. Luckily, Mr Speaker, another avenue is opening up but not because of the efforts of the Tourist Office. We are going to have a Danish operator bringing Danes. They have chartered a plane, they are coming to Gibraltar, they are going to land here and because they cannot take off with a full pay-load then they go to Tangier, re-fuel, and take off from there. They are even bringing their own beach attractions to Gibraltar to make it attractive, Mr Speaker, but they have one problem. They would have had two flights on the same day instead of one but because of the uncertainty about the hours during which the airport can operate they are only bringing one flight a week.

HON H J ZAMMITT:

If the Honourable Member will give way. Is the Honourable Member aware of what he is talking about, Mr Speaker, because he is wrong.

HON MAJOR R J PELIZA:

Perhaps when he speaks he can say where I am wrong. I got it from the horse's mouth and unless it is the wrong horse that I spoke to. It may be that he has been talking to another horse. That is a very good area, Mr Speaker, because it is close to Sweden, it is close to Germany and it might be other areas where we can get traffic from. I hope that the Government will do everything possible and place no obstacles, Mr Speaker, no obstacles like the victuallers found with the QE, Mr Speaker, where they could make no progress. Eventually, I think they said yes but now, apparently, it is too late. Equally with the newspaper advert which is taking a long time. I really don't know whether the Minister has decided now to

advertise. Has the advertisements gone out yet? Because if it is mañana, mañana, mañana, and that is the attitude, Mr Speaker, we will never get anywhere. This has nothing to do with the Dockyard, nothing to do with Spain, it has a lot to do with us. Mr Speaker, I think that I could bring many more points but I would just like to mention one other thing and that is to thank the Chief Minister for letting me have the report on The Gibraltar Regiment. I am most grateful to him. I think we all feel very proud of this Force. Looking through it and knowing from my own personal experience it is not easy, Mr Speaker, to run a voluntary force efficiently and whether those who volunteer keep up with the training. It is a source of great satisfaction to me because I attach a lot of importance to any community, whatever the size, to have the self respect of wanting to defend their own rights, freedoms and values. We in Gibraltar have it. We have that self-respect and that is shown by those who are prepared to join the Regiment and contribute towards that backbone of the people. The establishment, Mr Speaker, of 14 officers and 177 other ranks is almost full, 10 officers and 177 other ranks and that is not an easy achievement by any means. If you look further down you find that those who failed to meet their compulsory commitment were only 17 but obviously they have been replaced very quickly by others. Then, Mr Speaker, if you look at the attendance and training it is amazing how these men give part of their free time to carry out this training. And if we go further, Mr Speaker, we see the kind of training they are receiving which is second to none. It is going side by side to what I consider to be the best fighting force in the world - the British Army. The training is done in the United Kingdom and the spirit is the same, Mr Speaker, both fighting spirit if it came to that in a defensive way, in the defence of freedom, Mr Speaker, not as aggressors but also in their natural behaviour as soldiers, thinking and knowing that soldiers are not above the law. They are just other ordinary citizens who, if anything, have in fact not just the ordinary laws but even other laws that are imposed on them, more than the average man. These men, Mr Speaker, are, I think, a source of pride to Gibraltar and at this stage when we see what the situation is, I was very glad to hear the Gallant Major Frank Dellipiani say that there were people of The Gibraltar Regiment who had volunteered for the Falklands. That is very great, Mr Speaker, and it shows the unity that exists between Commonwealth countries and particularly about the small territories of the Commonwealth. I would like to congratulate the Commanding Officer and All Ranks and all those who have been involved with the Regiment in the past and particularly in the report that the Chief Minister has so kindly given to me. I congratulate them, Mr Speaker. Thank you very much.

HON H J ZAMMITT:

Mr Speaker, Sir, I will deal with the Estimates of the four departments that I have particular responsibility for and I will also answer, obviously, some of the questions posed by Members opposite involving these four departments. I am afraid, Mr Speaker, that on the Housing Estimates as such there is very little one can say because we are really dealing mainly with estimates of salaries, wages and very little other than ordinary administration. On policy matters I would like to inform the House that there will be allocations of housing in the immediate future. As my colleague, Mr Canepa, mentioned earlier on, St Jago's complex will be up for allocation some time between the middle and the end of May. Lime Kiln Steps will equally be up for allocation about the end of May and then St Joseph's. I should add that some houses in Road to the Lines will come in within this year or later on in the year. All in all, close on 100 units will be allocated. I should like to point out, Sir, that there is a revision of the points scheme in relation to the waiting time which has been left static for the time being so as to accommodate those people who were near qualifiers in relation to the St Jago's and St Joseph's but once those two estates have been allocated the revision of the points scheme in respect of waiting time will be altered so as to give priority to people longest on the waiting list.

HON A J HAYNES:

Can the Minister give any indication as to why there has been slippage in relation to Lime Kiln Steps and the other project he has mentioned?

HON H J ZAMMITT:

You mean slippage in the construction of it. Yes, Mr Speaker, there have been some alterations in the original plans of Lime Kiln Steps which has been explained in last year's estimates. There were some buildings which we had hoped to have been able to modernise and they were found to be in too bad a condition and they had to be demolished and new building has taken place in some of the areas.

HON A J HAYNES:

We were told that Lime Kiln Steps would have been ready by February of 1982.

HON H J ZAMMITT:

On that particular policy situation, Mr Speaker, that will take place round about, I think, September, that is when the points system will take a different standing from what we have had in

the past. The situation today, Mr Speaker, is that we still have some 1800 applicants. I should, of course, say that the last year the Honourable and Gallant Major Peliza was looking at the statistics, I think Members must have noted that some 400 Gibraltarian adults have returned to Gibraltar during the last year which no doubt increases the further requirements for housing. People living in the Brixton area and other areas that have suffered recession of unemployment have considered it best to return to Gibraltar and therefore we are finding ourselves with quite a number of Gibraltarians who have returned from England. The housing situation, Mr Speaker, is as bad today as it was five years ago and as it was 10 years ago and no doubt as bad as it will be 10 years hence. The situation is quite serious but it could be alleviated. I have my policy established on this. I am afraid that I cannot get my friend Mr Andrew Haynes to agree with me on this one but I am of the firm opinion that if Gibraltar's housing stock was put to its maximum possible use the situation we find ourselves in, the dire need of 1800 applications could be substantially decreased. I can say that because I am in Government and I think it is very popular for the Opposition to resist that because it is not an extremely popular move but Government has been working in that direction. I can say with all sincerity that we have been able successfully to move quite a number of sole occupants in four rooms kitchen and bathroom and we have convinced them to move into smaller adequate accommodation and I emphasise the word adequate accommodation thereby releasing larger accommodation for young families that are very much in need. If there was a joint effort in the system and if people could be convinced that they should not be as egoistic as to hold on to unwanted and unrequired superfluous housing, I repeat I am of the firm opinion that the housing needs in Gibraltar could be reduced substantially. Anybody who sits in the seat that I do in the Housing Department can see no way out other than putting those 5,000 housing units that Government has built over the years to its maximum possible use. To me it is immoral to allow a sole person to occupy large accommodation on rent relief, paid for by taxpayers and yet permit young families with a number of children to live in overcrowded substandard situations. I feel we would do Gibraltar a service if instead of playing politics with this we played at something a little more logical and we put our resources to their maximum use. Mr Speaker, I am delighted to be able to report that the Family Care Unit is now almost up to date in reporting social cases which have been on the increase, I say with some regret, and we have been able to accommodate quite a number of social cases in pre-war housing and I am very grateful for the work that the Housing Advisory Committee do particularly in this field and to its Chairman who gives of his own free time many hours of work to the Housing Advisory Committee and I would also like to thank the Housing Allocation Committee who also give very valuable service to the community. I would be failing in my duty, Mr Speaker, despite the constant criticism

one hears about the Housing Department, if I did not praise them for the sterling work they do and it is with great regret that I have to report that during the past year the Housing Manager has been assaulted three times. The staff are abused by people invariably with no reason, people who come back and expect accommodation within two weeks and yet one hears very little sympathy for civil servants who have to carry out decisions imposed upon them and invariably with very little recourse other than the courts of law who I may say have upheld and punished offenders adequately. Mr Speaker, I do not intend to dwell on housing all that long as I am sure there will be more questions brought up by the Opposition as we go through the Head item by item. Mr Speaker, I am absolutely astonished that my Honourable and Gallant friend Major Peliza, and I dread the day he is no longer in this House, because I think he adds that bit of humour that keeps what are normally very grim faces to some kind of a smile and were it not because one knows that he is absolutely sincere in what he says I would be laughing much more than I do but it surprises me and in fact I am disappointed that he has not said a word about the Philatelic Bureau or about the Post Office of which he has a shadow responsibility. I am possibly the biggest football on this side of the House, I am the chap who gets the most kicks but for goodness sake I think it is only responsible and I am not asking for praise I think my colleague Isaac Abecasis should get all the praise for the good work in the Philatelic Bureau but if Members have looked at the estimates, particularly the source of revenue that the Philatelic Bureau is bringing in, I think it is commendable, it is highly commendable, that there we are close on £1m when it was taken over by my colleague Isaac Abecasis when we were getting no more than £78,000 a year. I think that is meritorious and I think it is only fair that when we do something good at least there should be a word of congratulations.

HON MAJOR R J PELIZA:

I will certainly congratulate the department and my idea was that as we are coming to the estimates, when it does get to that particular vote I will certainly stand up and say how delighted I am with the results of that department. Perhaps you are anticipating my remarks.

HON H J ZAMMITT:

I think some word of praise might have come in appropriately during the general debate and not just all the kicks. The Philatelic Bureau of course we know has been a source of income, will continue to be a source of income and I think that possibly, God willing, we may find that it may be even a bigger boom than we anticipate. We must not forget that this year we have printed the new definitive which of course means a certain amount of income to philatelic collectors and therefore it is very good money coming in. Once again I think the

House owes a word of praise to my colleague Isaac Abecasis for having taken it over with virtually nothing and having got to what it is now a source of major income to the Government of Gibraltar. Mr Speaker, there has been some criticism, particularly from Mr Restano, about the delay in mail. I would like to remind Mr Restano that the delay in mail that has been suffered has invariably not been at this end and I think the Honourable and Gallant Major Peliza who has a particular interest in the Post Office is fully aware that the dispute at present in England was the drivers of Post Office vans between Gatwick and Heathrow where they insisted on having two drivers and the Post Office were saying one driver. I would remind the House we are very lucky in Gibraltar that on every lorry load they would only take half of the load but as we normally receive 30 or 40 bags and not 300 or 400 bags that another country would receive, we invariably get all our mail and most of our mail is not all that badly effected. If the Honourable Member, was referring to an article in the paper about a parcel or a letter from an ex-Commissioner of Police to the Vox that took six months, I would like to say because I think the article was somewhat misleading, the letter, parcel or whatever it was was delayed six months in England not in Gibraltar. In fact, it took four days and we must not forget that it was Maundy Thursday, Good Friday and Easter Monday in between. So we haven't done all that badly.

HON P J ISOLA:

If the Honourable Minister will give way. Mr Speaker, the complaint on this side of the House is not as to the delay in Gibraltar or from Gibraltar out, that is not the complaint and we are not complaining. What we are complaining about is the delay into Gibraltar. Can the Minister explain, we have heard about these 40 bags and what happens between Gatwick and Heathrow but what I am finding from personal experience and I think others might have the same experience is that on Tuesday, Wednesday, Thursday, Friday hardly any mail comes in for anybody and then Saturday and Sunday the PO Boxes are choc-a-bloc. It seems to us it is not just the Post Office, there must be other factors and that is what we would like to have investigated.

HON H J ZAMMITT:

Mr Speaker, I can assure the Honourable Member that I have taken this up personally and in fact we have a gentleman here, a Director of a Post Office in England, who was saying to us that they are equally having great problems from Redhill. As probably Members know, Redhill is the major sorting place for the GPO in London and they are having major problems there. We certainly do try our best and as I say, we are treated quite well in relation to other Post Offices in UK. Mr Speaker,

we are making provision in the Estimates for the purchase of additional pillar boxes. We would like to have one at the Lighthouse, one at Rosia Dale housing estate and, possibly, one at the frontier so as to make sure that people post their unused Gibraltar stamps coming into Gibraltar. We will obviously have to increase the machines and the Director is looking at the question of being able to provide more stamp machines in the main lobby. Mr Speaker, again I will not dwell any more on the Post Office. Mr Speaker, I would like to talk briefly on Recreation and Sport. I am very disappointed that I am such a disappointment to my friend the Honourable Mr Tony Loddo. I am disappointed, Sir, because if I am such a disappointment to him I would remind him that he has been in this House now for over two years and to this date he is the only member of the Opposition that has not paid a visit to the Ministry that he is shadowing and if need be I will remind Mr Loddo that the Victoria Stadium lies north of Boys' Comprehensive School and west of the Prince of Wales in case he doesn't know where it is. He has not been there once. In fact, I have had one letter from the Honourable Mr Tony Loddo, not inspired by him, when USOC came under fire when we first had the question of USOC being used for a parking area. It is the only time that I have had a letter from my shadow Mr Anthony Loddo who says I am such a great disappointment to him. If I am then I think he should have come to the Stadium and I would be delighted to show him around in the same way as I have Mr Andrew Haynes calling on me as frequently as I can possibly see him, on housing, and all other members who have responsibilities, too, but I think Mr Loddo should at least now that he is in mid-term of our four years in office would like to come to the Victoria Stadium and see that there are such things as benches that were being put there when he was asking questions why we were not putting them and see that we have showers and what have you. He hasn't been in the Stadium other than on one occasion. I am not spying on him, Mr Speaker, we don't have big brother watching there. He has been to the stadium on one occasion to watch his son playing hockey. That is the shadow member I disappoint so sadly.

HON A T LODDO:

If the Honourable Minister will give way. For a Minister who has a detective agency his powers of detection are very, very limited. I have been to the Stadium on more than one occasion. I have watched football, I have watched hockey, I have watched boxing, I have watched basketball and needless to say always at my own expense. I have never received an invitation from the Minister.

HON H J ZAMMITT:

That is absolutely incorrect, Mr Speaker. The Honourable Member was invited to see Notts County play and didn't turn up.

HON A T LODDO:

I sent an apology.

HON H J ZAMMITT:

He has said, Mr Speaker, that he has never been invited by the Minister. Of course he has been invited by the Minister.

HON A T LODDO:

Once in two years.

HON H J ZAMMITT:

I think it is up to the shadow Member to make an approach to the Minister to come along and see the department and then he would find that I am not such a disappointment in sport as he thinks me to be. Mr Speaker, I would ask the Honourable Member and try and find a period of ten years, 1972 to 1982, where there has been so much sporting activity as Gibraltar enjoys today. I would like the Honourable Member to tell me if there is a cleaner department in all Government or anywhere in Gibraltar than the Victoria Stadium. I would like the Honourable Member to go round there and see the difficulties that the staff of the Stadium have to put up with and the demands that there are on the Stadium by every single sporting association who want more and more allocations and you cannot fit more than 8 pints into one gallon. I think the staff of the Stadium have done remarkably well to keep a department that is open from 8 o'clock until 11 o'clock every single day of the week barring something like Good Friday, and, possibly, one or two public holidays. So I think we get a tremendous return for the money that Gibraltar puts into the Stadium and I think the Stadium is run adequately, is very highly maintained and I have nothing but words of praise for the staff there. Mr Speaker, the Honourable Mr Restano in his opening address said that I should be changed. Well, I have asked for a change in Housing but I haven't been changed so I am not going to ask for a change from Sport. The Chief Minister is the man who has to decide when Ministers are changed. I would say I enjoy sport because I have been a sportsman all my life but I am not indispensable and if the Chief Minister and my colleagues feel that there should be a change I will be changed, I am at their command. Mr Speaker, I would like to remind the Honourable Member that the fact that there happens to be a Victoria Stadium run by the Government of Gibraltar is purely because of what occurred with the old Gibraltar Stadium that was run by a Board, the Board which the members opposite are now saying ought to run it, it was run by a Board and allowed to go to complete ruin and resulted in a youth demonstration with a coffin forcing Government to build and run a Stadium. Let us not talk now of going back to having a Board running a stadium because there

was a Board running the stadium, it was called the Gibraltar Sports Board, way back, and allow it to go to absolute ruin.

HON P J ISOLA:

If the Honourable Minister will give way. Surely he is distorting the picture, there were no public funds being pumped into that Board.

HON H J ZAMMITT:

I am sorry?

HON P J ISOLA: .

There were no public funds pumped into that Board. They had no money, presumably.

HON H J ZAMMITT:

The Honourable Member is mistaken and what is more not only is he mistaken he is more than mistaken because it was during the time that he was Member for Education that it occurred and the stadium was put under the Education Department. The old Victoria Stadium had a control board and they had to pay salaries to the groundsmen and Government had to take it over because the board let it go completely and I remember, Mr Speaker, in my footballing days, not that I was much of a footballer, we used to have to get a lorry and go to Eastern Beach and pick sand up and take it back to fill the potholes in. That is the kind of stadium we had. Is that the kind of stadium we want again? Surely the stadium is adequately run and if it is not let them come down to the stadium, I invite my shadow to come down to the stadium and have a look for himself.

HON MAJOR R J PELIZA:

If he recalls, the reason why they came out with a coffin was that they wanted a stadium and they didn't have it and they had been asking for one for a long time. In fact, it was my Government which started that stadium. In fact we got money for the Victoria Stadium as it is today.

HON H J ZAMMITT:

No, Sir.

HON MAJOR R J PELIZA:

Oh, yes.

MR SPEAKER:

Order, we will not speak across the House.

HON H J ZAMMITT:

Mr Speaker, I have to refute that because that is too much of a fanfare of trumpets. When we came into Government in 1972 it is true to say that the surface pitch and the first phase of the stadium had been constructed by the Honourable Major Peliza's administration but not as it stands today. The second phase of the stadium was constructed by this side of the House because the money had been absorbed by the Boys's Comprehensive School that that Government gave priority to in lieu of the sporting facilities and the hall. All I am saying is that I would ask members to come round and see the stadium. I am very proud of that department, it offers a tremendous service. What we cannot do - and I will come back to the Honourable Mr Willie Scott in a second - what we cannot do is fit in all the demands that are imposed upon it, we just haven't got the capability. There are six acres of land, there is constant use being made of the pitch but what we have done, Mr Speaker, is that in the next month or so the pressure pump which was a cause of major delay in maintenance of the stadium will be connected and therefore we will be able to have our outdoor facilities used mainly for more educational needs. The hall and the stadium have suffered a tremendous amount of damage despite the fact that the staff there are so vigilant and I commend them for it because if it wasn't for that we would find that what has happened in the main grandstand where we have no seats left would have occurred years ago in the hall downstairs. The fact that we have a stadium today is no doubt due to the enthusiasm of the staff down there which to me have done sterling work. Mr Speaker, we did form a Sports Advisory Committee and I remember all the noises made by the other side that I was a dictator. Now we have members there not nominated by me but nominated by their own associations. Therefore, Mr Speaker, if there are complaints of the use of the stadium I think it would be appropriate for the respective associations to put it to their federation and in turn it comes into the higher committee which is the Sports Advisory Committee and there the matter can be thrashed out. There is no such thing as the Stadium Manager or management imposing a condition that no two sports can be played at the same time. The management has no objection whatsoever for a game of football to be taking place and for athletes to be running round the track. It is the various associations themselves who do not want that because the referee gets confused. The management does not oppose that if there is a game of football in the main pitch there could be use of the two side pitches by two other teams or four other teams. It is the GFA that opposes. The Government would not oppose it to be

used for hockey training but of course the other sport would complain. My friend Mr Willie Scott would like to use the stadium for the international cricket tournament which is taking place and I think we are very proud that Gibraltar is taking part in the world cup. If we allow members of any association not using the stadium facilities but running round the road to use our showers, then we would find that the cyclist, the rowers, the athletes, the joggers, because they are paying taxes the same as everybody else, we would find that they all want to queue up and use the stadium showers and then, of course, it would be impossible. But if any association uses the stadium they are entitled as of right to have a shower and use the facilities. I give way, Mr Speaker.

HON W T SCOTT:

Mr Speaker, I think the Minister is perhaps taking it a little bit out of context. I mentioned that particular instance because I felt it was so fundamental. As I understand it, the stadium authorities have been unable to help in any single way and I mentioned that specifically because this seemed to me the simplest way in which they could help and even that has been denied, so I am told.

HON H J ZAMMITT:

Mr Speaker, the only trouble is that cricket, as such, is not a sport played at this time of the year. The season starts after the school sports take place and after, of course, the winter sports, i.e. athletics, football and hockey come to an end.

HON W T SCOTT:

If the Honourable Member will give way. I remember distinctly when the hockey people played, I think it was the European Nations Competition in Germany a few years ago, and that was in the middle of the summer, and the hockey pitch was made available to them throughout the course of the summer out of local season. That is already a precedent.

HON H J ZAMMITT:

Yes, Mr Speaker, that is the hockey pitch itself which is not used for anything else in the summer, for nets only, but it is not that we have something lying dormant that we are not allowing them to use. The fact that we cannot adjust them into the pattern is because it is being used for others and if the Cricket Association would like to consult the Hockey Association to allow them to use the nets and they have no objection, then management has no objection. It is only a question of adjusting among themselves but not management. Management does not side with one or side with the other. I can assure the Honourable Member.

HON W T SCOTT:

I don't want to interrupt the Honourable Member any further, Mr Speaker, but I have been led to believe that that is not entirely correct, that the objection is from the stadium authorities themselves.

HON H J ZAMMITT:

No, Mr Speaker, I can assure the Honourable Member that if the Gibraltar Hockey Association is prepared to give up a period of the time used for their hockey games then of course the nets can be used of course by allocation, by the Cricket Association, there is no objection whatsoever. Mr Speaker, I think I should say in ending with the stadium, that one of the greatest achievements this year has been the qualifying of the Rock Gunners into the European Cup and they will be off to Cardiff and I am sure everybody in Gibraltar and in this House will like to extend our heartiest congratulations and best wishes for their participation in Cardiff quite soon. Reference advertising at the stadium, yes, we are considering that, Mr Speaker, we are considering advertising and I must say that members have noticed that there is a token vote again for the question of admission fees. I think the Government cannot be accused of not playing cricket regarding admission fees. We are being quite tolerant because there is nowhere else, I understand, where we can go in and have the kind of free amenities that you get at the Victoria Stadium. Whether the Opposition like it or not there will be some form of charge at the Stadium. We have given notice to the Committee who have gone back to their respective associations. Obviously, Mr Speaker, it is quite a silly situation because if you were to ask people now whether they would object if we were to increase income tax by 30% tomorrow the answer would be that they would certainly object. No one wants to pay but it is easy for the Opposition to make the kind of political capital they think they can get out of it until they are convinced and let me tell them also that precisely those members in the Sports Advisory Committee, precisely those members, are totally in agreement with the implementation of fees or charges because they know that wherever they go elsewhere in the world they will have to pay. They know that. Rock Gunners will have to pay now or when they go to Cardiff £17 an hour for a game of hockey but in Gibraltar we are different, here we are different. Let them realise, Mr Speaker, that the sportsman is to benefit, Government does not intend to make money out of that scheme. Government intends to pour most of that money back for the furtherance of sport and a betterment of sporting facilities. It is very easy for Members opposite to jump on the bandwagon of sport where they think they are on a winning political ticket and let me remind them that they are wrong, Mr Speaker, because I am sorry to say I have no support in Housing, I do not think I will ever get support in Housing, but I have a lot of support in sport much

to the disappointment, I am sure, of my Honourable Friend Mr Tony Lodd. Mr Speaker, we are considering the implementation of fees as shown in the Estimates by the token vote and we are considering the question of advertising but advertising does not pay for the sportsmen. If there is any revenue to be made from advertising that is Government money, that would go to Government, not to the sportsmen. Nowhere in the world does advertising go into the sport, it goes to either the property or to the landlord. So, Mr Speaker, we are considering that very carefully. We have resisted, I must be honest, advertising certainly on the walls of the Stadium because they become very shabby after a time if not paid for and not maintained but we have a scheme and a system which we hope during this year to be able to bring to the House for information. Mr Speaker, I would also like once again to congratulate the staff of the stadium for having to deal with an enormous amount of different opinions. I regret, Mr Speaker, that the sport of boxing has not been very prominent this last year because of finance. They have found it quite difficult to maintain and I am afraid that is one sport that will have to be revived and of course Handball is now almost extinct, Handball is not played in Gibraltar any more. Mr Speaker, I will talk on tourism after the lunch recess.

MR SPEAKER:

We will now recess for lunch and we will start again at 3.15.

The House recessed at 1.00 pm.

The House resumed at 3.15 pm.

HON H J ZAMMITT:

Mr Speaker, Sir, if I may continue now with the last department under my responsibility and that is tourism. I think Members have during their contribution to the debate mentioned the fact, rightly so, that tourism has been earmarked as Gibraltar's major industry, second to HM Dockyard and it is here that I think my colleague the ex-Minister for Tourism, the Honourable Mr Abraham Serfaty, when he was Minister for Tourism has for many years expressed a view of doing his utmost and trying to highlight to the community of Gibraltar the tremendous importance of tourism in trying to articulate the 40% of our economy coming from our tourism and trade upon the 60% of Defence spending. I think the Honourable Mr Serfaty, at the time, foresaw what we could all foresee and which regrettably today we have to look at much more closely in the light of a threat of a possible closure of HM Dockyard. It is not a new policy that has sprang upon us since the advent of HM Government Defence cuts, it is a policy that has been with this Government for many, many years in trying to rectify

what would, sooner or later, be reasonably seen to have to occur because one was seeing in the world that the defence spending of Great Britain was being affected gradually as years went by. Because of this, Mr Speaker, I don't think it would be fair to accuse this Government, or, indeed, any other Government or Members of this House as a whole of having been static about it because as soon as we got to know of the possibility of the dockyard closure, or going commercial, it was then that Government had to reappraise the whole situation vis-a-vis tourism. In that line I can inform members opposite that we have an in-depth study conducted by consultants into the tourist trade in Gibraltar in the event of a possible closure of HM Dockyard and we are eagerly awaiting a report on this matter. Mr Speaker, having said that as to the future I think I should, as a matter of courtesy explain to Members opposite that we will continue to market tourism to its maximum within the United Kingdom. There is no change there whatsoever, with or without an open frontier. There is, of course, and I think this is where the Honourable Major Peliza may have misunderstood what I am allegedly supposed to have said in some newspaper when interviewed, one cannot deny that an open frontier situation would be an added bonus to Gibraltar's tourism but that would be the day excursionists from which a percentage or a chance of that percentage would inflate to some degree our hotel occupancy but we are aiming and we will continue to aim for the long stay tourist which at the moment is running to 6.7 or 7 nights stay in Gibraltar. We will continue to market Gibraltar in Morocco with or without an open frontier so there should be no fear there at all and in fact, Mr Speaker, we said that way back after the Lisbon Agreement of 1980, that we would continue to market Great Britain as our main source of drawing tourism from that market. I can really offer no apology, Mr Speaker, in saying that 1980 has been an extremely bad year and the Honourable Financial Secretary brought this to light in his speech which the Honourable Member read out. It is no credit to anyone that that should occur and one can only obtain comfort in that other areas in competition with us have suffered much greater losses than we have. But that, as I say, is no personal comfort and I don't think we can draw any encouragement from seeing other people suffering what we are suffering. There is a recession in the United Kingdom from where we draw most of our tourism and I would like to inform particularly the Honourable and Gallant Major Peliza that in Malta they have had a 39% drop on last year. Having said that about 1980 there were a number of factors that contributed to that. One, of course, was the pound vis-a-vis the peseta which obviously made Costa del Sol extremely attractive. Already one knows the problem the Costa del Sol has is possible overbooking for summer. They are already totally booked for summer. Our bookings are up on last year. It appears, and this is purely a personal point of view in consultation with Londaes who were here last week, it appears that the interest in Gibraltar has increased

slightly in UK and there appear to be more enquiries and more bookings as a result of their Royal Highnesses visit here last August and we are seeing the effect this summer and of course no doubt the publicity that Gibraltar obtained as a result of a possibly opening of the frontier has encouraged more people to come out and stay. There have been, Mr Speaker, a number of travel agents who, unfortunately, were prepared for the opening of the Frontier on the 20th of April and had prepared the two-centre holiday brochures at enormous expense. I am afraid that that has been thwarted for the time being but no doubt will be able to be used for the 25th June if that date ever comes. There has been a particular drive within the tour operators and travel agents that work for Gibraltar tourism in extending and expanding their services and offers of package deals between Spain and Gibraltar, Gibraltar/Morocco and vice versa. It has been a source of encouragement to note that Gibraltar will be used as the landing and departure place. It is very important to try and get as many aircraft to Gibraltar as possible. The reason why I say that, Mr Speaker, is because I am of the opinion that the MOD runway at Gibraltar airfield is possibly the MOD airfield within the whole Commonwealth that is mostly used by civil aircraft. I cannot visualise, certainly in UK, no MOD airport accepting the amount of civil aircraft that Gibraltar receives. And we must not forget that there are landing charges which the MOD draw. With today's air traffic MOD is making something like £250,000 on landing charges, possibly slightly less I must say, the possibility of inflating that four or five fold may well encourage MOD not to have to put any restrictions on hours of operation on the airfield. I think it is vitally important that we should attract as many aircraft as we can to Gibraltar and from there no doubt the tourist travel to Gibraltar as a two-centre holiday would mean that they would have to spend 3 or 4 nights in Gibraltar or a week here and a week in Morocco or Spain so there will be a certain draw for the hotels. In fact, I have said that we are a three-centre holiday. When I have been on trade promotions I have said we are not a two we are a three, we can offer Africa, Europe and in fact I have been using the slogan once again which we used to use years ago, the stepping stone to two Continents, that is to say, Spain and Morocco. Mr Speaker, one is encouraged by that and I think I should report, equally, that there has been a tremendous interest shown by different airlines from other parts of Europe. However, for reasons of security or secrecy, I think Members will know what I am referring to. Some of these airlines have asked to be kept completely out of the picture prior to the opening of the frontier and I think members will understand the reasons why. Having said that, Mr Speaker, I would like to take the Honourable and Gallant Major Peliza up on the question of the Danish tour operator that will be bringing out charter flights from Copenhagen as from the 21st of June.

I regret that the Honourable and Gallant Major Peliza did not feel it proper to give the Tourist Office any credit but I can assure the Honourable Member that the Gibraltar Tourist Office worked very, very hard in conjunction with hoteliers in Gibraltar to ensure that that operation was a total success. The operation will produce some 200,000 bed nights to Gibraltar which would be the biggest impact on tourism we have ever had, that is, over a 40 nights stay but there was some inconveniences, Mr Speaker, in the sense that it was one aircraft doing two trips a day. I would like to inform the Honourable and Gallant Major Peliza of the situation. It would take, surprisingly enough, some 5 hours travel from Copenhagen to Gibraltar. If there is to be an hour turnaround refuelling and there is a penalty load because of our runway, it would then take 7 hours to return to Copenhagen because they would have to land at Tangier or Bordeaux to refuel again and by the time that the plane got back here after another hour at Copenhagen and refuelling and coming back then it went into something like 1.20 am. At that stage we were finding some difficulty with MOD on the operating hours and it was only after some negotiation when the Tourist Office agreed to pay for any additional costs involving overtime rates or whatever for the use of the Airport that we were able to draw up an agreement and the operation was on. We equally agreed, Mr Speaker, to pouring some £20,000 of advertising in Swedish, Danish and German as the operators will be marketing North Germany. I can assure the Honourable and Gallant Major that there was one particular day when members of my staff and myself worked from a working breakfast - it is the first time that I have worked at breakfast - from 8 in the morning until 1.20 in the morning the following day to ensure that this was a success and I am delighted to say that Government accepted this as a great breakthrough and it is regrettable that the possibility of it starting on the 21st of June is now in some doubt purely because of the uncertainty of the frontier opening on the 25th but if they are going to stay here for 7 nights from the 14th then of course by the 25th they will have been here four nights so the possibility is that the operation will continue. We have been in correspondence, we have telephoned, and as far as we know we are aware they are quite happy with what we are doing. What I have said is that I was not prepared to spend any money, and this is how cautious this Government is at public spending, that I was not prepared to put in any money until the frontier opened.

HON MAJOR R J PELIZA:

If the Honourable Member will give way. We are back to square one.

HON H J ZAMMITT:

If we are back to square one we will see when the planes come. What I don't think would be proper, Mr Speaker is that we

should spend money and then find that the planes went to Tangier or to Malaga. This Government does not gamble with Government money.

HON MAJOR R J PELIZA:

If the Honourable Member will give way.

HON H J ZAMMITT:

I will when I finish, Mr Speaker, I will certainly give way. This Government is not prepared to put money on a roulette, Gibraltar taxpayer's money, £20,000 of it, and then find that the operator, because of more convenience is able to go to Morocco or to Malaga and use our taxpayer's money. That I will not do. I will give way, Mr Speaker.

HON MAJOR R J PELIZA:

Is the Sand Quarry Company a departure from principle?

HON H J ZAMMITT:

I am Minister for Tourism and my Colleague Mr Featherstone no doubt will answer that. I am answering on tourism, Mr Speaker, at the moment.

HON MAJOR R J PELIZA:

Does the Minister realise that in any business on whatever transactions you make there is an element of risk? The Government took an element of risk of £700,000 on the opening of the frontier but it will not spend £20,000 on something which is a new venture which is really chicken feed in an estimate of £38m altogether. I don't understand the mentality.

HON A J CANEPA:

Government did not take an element of risk in spending £700,000 on the opening of the frontier. That was an agreement that was entered into by the Spanish Prime Minister and the British Prime Minister. It is the Falkland Islands issue that has bedevilled that. That could not have been foreseen on January the 8th or any time after the beginning of April.

HON MAJOR R J PELIZA:

Is he sure that it is the Falkland Islands issue, Mr Speaker, or is that the excuse?

HON A J HAYNES:

Relating to this point, Mr Speaker. I would note that the same considerations were to be considered by Government when

considering the matter of Danish flights coming to Gibraltar, if they thought that the opening of the frontier was a certainty they must have thought that the matter related also to the Danish contractors so why were they not prepared to spend money then?

HON H J ZAMMITT:

Mr Speaker, what I would say is that if the frontier would have opened on the 20th April, we had made provision for £20,000 and we would have spent it because the operation would have happened on the 21st of June.

HON MAJOR R J PELIZA:

It is the same thing.

HON H J ZAMMITT:

No, it is not the same thing. I have committed myself to giving £20,000 of advertising in Denmark, Sweden and North Germany and we have also accepted to undertake the extra cost of additional hours required at the airport, if any. I would also say, Mr Speaker, that I was able to convince the Danish operators that during the winter months, because I should emphasise that this is a weekly thing, winter and summer, that during the winter months they would ensure that the planes came during normal operational hours of the airport and that has been guaranteed. Mr Speaker, I will not dwell any more on that. I will say that there is one slight error in the Estimates which I must rectify before the Honourable and Gallant Member thinks that it is deliberate and that is under the London Office in page 82. Head 24, Public Relations. There is a slight mistake there, Mr Speaker, in the sense that where it says revised estimates 1981 £10,400 and the £9,500 drop there. Sub Head 6 - probably he would like to bring it up during the Committee Stage. It is just that there has been a slight error and I will rectify that. There has been no decrease in Public Relations. As it looks now, there appears to be a decrease in Public Relations, I will explain that later on, Mr Speaker. Very briefly, Mr Speaker, I would like to say that we have seen the formation of a Tourist Board occurring this last year and it is working reasonably well. Members of the Tourist Board are kept totally informed of what Government intends doing as regards tourism, I think not only are they informed but they are of sufficient calibre to understand the problems that we are bound to face particularly this year in the event of an open frontier situation. I think that several hotels and restaurants and other people involved in the tourist trade have done extremely good work in re-appraising their services to be able to accommodate the possible in-coming day excursionists and I have nothing but words of praise for that. Mr Speaker, I did not and I am not able to understand Members

opposite about the question of import duty vis-a-vis VAT. I think that certainly as regards tourism I do not think hoteliers would very much welcome VAT or restaurants welcome VAT as in the United Kingdom. It would, if anything, increase the price.

HON MAJOR R J PELIZA:

Will the Minister give way? It is absolutely up to the Government on what they put VAT.

HON H J ZAMMITT:

I cannot see the point there but maybe the Honourable Member has a way out, I just do not know. Mr Speaker, the summer of 1982 seems to be much better, I am glad to say, than last year and we are doing all we can to accommodate the wishes of the Tourist Advisory Board and many of the recommendations that they have submitted have been very carefully looked at and some implemented. We have, for instance, done such things as marketing in various areas of England such as the Midlands that was not being tapped totally. We have carried out particular response surveys and we have carried out competitions in Britain on Gibraltar tourism and they have had resounding success. I have again words of great praise for those people who helped me. I think Members will also agree that through our Public Relations people we have been able to attract a tremendous number of journalists to Gibraltar who have written, may I say, very favourably, obviously not all of them, and there are bound to be some who do not like the place but, all in all, we seem to get pretty good coverage and reporting on Gibraltar as a tourist centre. Mr Speaker, there is little more than I can add other than saying that Government will not allow the London Tourist Office to be used for anything else other than for tourism. I know the Honourable Member is very keen on it and the London Tourist Office will be used for tourism and nothing else. I know it is a bee in his bonnet that he would like it to be used as an embassy or for handing out pamphlets for banks, for what have you, or for the Gibraltar Group and for all the good work they do but, regrettably, the Tourist Office cannot entertain, cannot afford to have anything there that is out of the scope of tourism. I think that has been said on a number of occasions in the past. Mr Speaker, on air communications I have recently written a letter to the Honourable and Gallant Major Peliza on matters again that I would not like to make public about other aircraft coming to Gibraltar which obviously for reasons of keeping things quiet they would not like it to be made public as yet in case somebody tries to put some spanner in the works which is not unknown of in other quarters.

HON MAJOR R J PELIZA:

Could I just ask the Minister whether he could address himself to the question of increasing the capacity of seats coming to Gibraltar and is the Government prepared to take, as I said before, the bull by the horns and try and either get a national airline to do it or get participation in an airline which will increase the traffic to Gibraltar otherwise, obviously, it is not going to happen. Will he address himself to that?

HON H J ZAMMITT:

Briefly, I can say the answer is no. We have tried, we cannot get more, we have one extra plane on now as the Honourable Member knows, GB has put a plane on a Saturday, there is no hope at the moment of additional charter or scheduled planes for Gibraltar not, may I say, with a closed frontier situation. Mr Speaker, one has to be logical and reasonable unless of course we want to pay for it. If we want to pay and have our own national airline, yes, I am told that an aircraft is something like £32m. A charter plane would cost us about £6,000 and then, of course, no doubt if we did that BA would say: "I am off the route", and therefore we would find ourselves with just one plane. It is a very difficult set-up. No, it is not in the estimates, we have not provided for charter operations. It is a very difficult situation, Mr Speaker.

HON MAJOR R J PELIZA:

Mr Speaker, I can ask why they have not provided for it in the estimates.

MR SPEAKER:

Order.

HON H J ZAMMITT:

Mr Speaker, I am afraid I can go no further on that but I think the Honourable Member knows that it is virtually impossible to go further on that but we may find, as I said, that with an open frontier situation the situation could change completely the other way. Having said that, Mr Speaker, there is little more that I can add only to say that one looks forward to this year, there are indications of a betterment in the tourist field, that is, without an open frontier situation just from our own tour operators in UK and locally and to wish all the tourist trade the best of luck for this coming season. Thank you, Sir.

MR SPEAKER:

There are only two Members who can now exercise their right to speak, the Honourable the Leader of the Opposition and the Honourable Mr Joe Bossano. If they do not wish to exercise their right, of course, I will call on the Honourable the Chief Minister to do so.

Mr Speaker, I spoke after the Honourable Member in last year's budget, I also spoke after him in 1980 and I thought we had settled the matter in 1980, in fact, apparently it has been revised. In 1981, in fact, Mr Speaker, I made a reference to this in my contribution and I gave the reasons why I thought it preferable to follow him. However, he did not seem to object last year and he got very upset about it in 1980 and it is clear this year that he again takes the point of view that he should follow me. It is, I think, the only area or occasion when the Honourable Member feels he should follow me because on every other conceivable occasion he is very sensitive of the fact that he is the Leader of the Opposition and he has to precede me. The Honourable Mr Restano mentioned to me in the Lobby that if I did not speak earlier then I would not speak and that meant presumably that neither would the Leader of the Opposition and I think that it is preferable that we should both speak rather than neither, that is why I am doing it. So as not to deprive either him or myself of the opportunity I am standing up although I still think he should have preceded me. I take it, of course, that he is the person that speaks on economic policy for his Party, I am not sure whether that is still the case but it has been suggested on previous occasions that it was. There was a statement read at the beginning by Mr Restano. I do not know whether that means that Mr Restano is now shadowing the Chief Minister and is the leader of the alternative Government or whether it means something different and no doubt the Honourable Member since he is going to have the opportunity to explain these things after he follows me will be able to explain it and I assume that then I shall have an opportunity to hear something about his economic policy which I do not think is reflected in the statement that has been made so far. I think the only Member of the Opposition that has made some clearcut references to economic policy as such has been the Honourable and Gallant Major Peliza but of course if the Honourable Member raises any new issue on the question of economic policy then, perhaps, he will give way so that I can take that up when he speaks. I do not propose, Mr Speaker, this year to follow the practice that I have adopted in previous years of analysing the estimates of expenditure or the strategy of the Government. I think that on the whole, listening to the debate on the estimates so far, my reaction is one of despair, really, as to whether Gibraltar can successfully tackle the problems ahead on the basis of the leadership it is receiving from the House of Assembly, if one is to judge from what has been said so far on this debate. As regards the policy statements made by the Chief Minister and the Financial and Development Secretary, I would disagree with the point made by the Honourable and Gallant Major Peliza about the failure of the Financial Secretary to give more emphasis to the implications of the Dockyard for the economy of Gibraltar and I think the criticism was unwarranted, I think

that the Financial Secretary has proved himself to be extremely conscientious in the work that he does but I think the Dockyard issue raises very serious implications for Gibraltar but implications that are not susceptible to purely economic answers from a professional point of view, it raises serious political issues which I do not think it is up to the Financial Secretary to give a lead on. I think he is in this House to advise the Government and from the work that he has presented in the House in the time he has been here and the explanations he has given the House, I think he is doing a thoroughly good job of it because I find it difficult to fault him and that is the standard that I judged other Financial Secretaries by in the past. Let me say that I think it is clear in his statement that the view of the Government is that on the question of tourism the development of tourism has to be linked and is dependent upon the opening of the frontier and that is stated specifically in his address to the House so I do not think there is any confusion about what the Government thinks on this matter, it may be something that other Members may not agree with on this side but I think it is clear, the statement is clear in that respect. Taking the situation facing Gibraltar this year, the expenditure that the House is being asked to vote, and I am not going to go into details of it, I may have to raise a number of points when we come to the Committee Stage, but talking on the general principles, Mr Speaker, which is what we are doing at this stage, I do not think that this year's estimates give any indication that there is anything happening differently this year from what has happened in previous years and I think that this year is a watershed for Gibraltar in its economic history, I agree entirely with what the Honourable Mr Canepa had to say that this was the most critical year in Gibraltar's history but I do not find that reflected in any way. I am going to spell out what the policy of my Party is in response to the threat of the Dockyard closure and I am going to spell out my own analysis of what is being done to the economy of Gibraltar by the British Government. Let me say that I agree entirely with what Mr Restano had to say that it would be wrong to look at the decision of the Dockyard closure and try and insinuate that the Dockyard closure is a deliberate British Government move to undermine the will and the determination of the people of Gibraltar to remain British, it is wrong to insinuate it, I have never insinuated it, Mr Speaker, I am making a specific clearcut and categorical accusation, no insinuation, so I agree with him that one should not try to insinuate it, either one says it or one does not and I am saying it and I will explain how I see the three factors affecting our economy being linked together and being part and parcel of the same policy that is being adopted towards Gibraltar. These three factors are; (1) the intended closure of the Dockyard, (2) the effective de facto termination of development aid and (3) the implementation of the Lisbon Agreement and the restoration of communications with Spain and the three are, to my mind,

linked together. If we take the question of development aid, Mr Speaker, the Honourable and Learned Chief Minister last year in his speech said that it would be wrong not to give credit to the British Government for the aid they were giving us. To quote from the text he said: "It is only just and proper that I should acknowledge the way in which the British Government has honoured its pledge to support and sustain Gibraltar for so long as the restrictions continue". If it is right to acknowledge when it is happening, it is equally in my mind to condemn when it is not happening and I think it is important that that philosophy should be sustained because it seems to me particularly from the overt references in the submission of the policy statement from my colleagues in the Opposition who made a number of references to me in the statement read by Mr Restano, that they appear to apply one criteria to Mrs Thatcher and another to me. If Mrs Thatcher is prepared to go to war over the Falkland Islands that is a matter of principle and it makes her the most beautiful Prime Minister Britain has ever had. If I am prepared to go to war over the Dockyard that makes me a lunatic who wants to commit suicide. I have no intentions of joining the Conservative Party, Mr Speaker, to gain the approval of Mr Restano or anybody else but I will tell Mr Restano that the policy of the GSLP in respect of the Dockyard is a dual one. We support entirely and wholeheartedly the stand being taken by the Trade Union Movement, a support that I asked the House to give and which Members on both sides of the House are unwilling to give because they felt that the implications of such a support was a de facto approval of industrial action if and when industrial action takes place and Mr Restano shared that view. It appears that he thinks he cannot give the seal of approval to the Dockyard workers if they go on strike to fight for their jobs but he is free to condemn them if they do it. I think he is taking a line to my mind that he should either stay neutral and not pass judgement on whether they are doing the right thing or the wrong thing, or else he has got to be conscious of the stand that he is taking. I do not think that the decision of the workers in the Dockyard when the time comes is going to be swayed one way or the other by whether Mr Restano approves or disapproves of any disruption they may cost the economy by taking industrial action. They have a right, it is in places like Argentina that people do not have the right to take industrial action and it is the extreme Right in places like the United Kingdom that condemn workers for taking industrial action to fight their jobs. In Russia, Mr Speaker, as far as I am aware, they do not condemn them, no, they lock them up, Mr Speaker.

HON MAJOR R J PELIZA:

Will the Honourable Member give way? He made a comparison between himself and Mrs Thatcher. Whilst Mrs Thatcher knows that she is going to win, does he think he is going to win?

HON J BOSSANO:

Yes, I do think that there is a chance of winning. The reason why I do is in fact because if I did not I would not take it on, just like I thought there was a chance of getting parity in 1974 and I was involved in a fight which lasted four years and we got it in 1978. And the fight to keep parity which is of the root of the fight for the Dockyard, will be as tough and as long as it needs to be and as fierce as it needs to be like it was to get it in the first place and that has got to be understood. However, when the time comes if it is the view of other Members here that they disapprove, I shall make it known to the people concerned that what they propose to do is something disapproved of and no doubt it will be taken into consideration but I do not expect it to have a dramatic effect on the decision or to alter it, Mr Speaker. The Gibraltar Trades Council has come out with a recent statement on the Dockyard closure condemning the refusal of the British Government to defer the decision to close in March, 1983, reiterating their opposition to a commercial Dockyard and their determination to take whatever action may be necessary, and at the same time announcing their decision to postpone any action in order not to be seen to be taking advantage of the present difficulties of the United Kingdom because of the Falkland Islands crisis. It is all very well to say that the workers in the Dockyard responded magnificently, they responded magnificently encouraged to do so by the Trade Union Movement and they will certainly respond in a very different way when they see or if they see, as I believe is going to happen, that their efforts will have counted for nothing. Time will tell and it is not very far away. Let us be clear that the decision to close the Gibraltar Dockyard in March 1983 has been confirmed. That the joint approach adopted by the three political parties represented in the House of Assembly and supported by all the representative bodies, was essentially to seek a deferment of the closure not, in fact, to seek a commitment that the closure date could be moved to suit the convenience of a potential operator which is the answer that we have had. That is not what was being requested and what was being requested has been turned down and it is all very well for Mr Restano to end his statement appealing for unity and saying that he hopes that the GSLP and that I will support a united stand. I can tell him I will not support a united stand to do nothing. We had a united stand to seek deferment, we have had a no to that, if the next step that he wants a united stand on is in collaborating in the closure of the Dockyard by a private yard, then we will not support that, the Trade Union Movement will not support it, the GSLP will not support it and it is wrong, I think, and misleading to suggest that we are still waiting for a decision. I think his statement at some stage talked about if the decision to close the Dockyard is final. Is he suggesting that it is not

final? I can tell him that on the 16th of April there was a letter from the office of Mrs Thatcher addressed to our union which said: "To suggest that Her Majesty's Government's decision to close the Dockyard can be reversed or deferred" - and that is important because this is following our visit - "would be both wrong and liable to discourage interested firms". It says: "You correctly describe March, 1983, as the target date of closure but if commercial operation proposals acceptable to both the Gibraltar and UK Governments emerge within the timescale set for the current investigation and if it would assist the transition to commercial management, then some flexibility about the date of closure in 1983 would be possible". So we have now got confirmation in writing of what I am saying we were told in London, that the month in 1983 can be moved if, and only if, that is requested by the commercial operator and that makes sense if one accepts the basic premise of a move to commercial operation. It would certainly be nonsense to insist in closing the Naval Dockyard in March if the operator could not start until June and to have it closed for two months. But that is all that is being offered and that is simple commonsense, that is no concession but it is an acceptance of a delay in the timetable or an acceptance of the need to review the decision. We had a united stand and it has achieved nothing and the Trade Union Movement has got an obligation to its members which it will not abdicate, Mr Speaker, and when the time comes, when the moves start being made to close the Dockyard they will be resisted. Why is it so important for the British Government to close the Dockyard? Is it, as Mr Nott has said in the House of Commons, because they need that money to buy weapons and they need the money to spend it on something else? How much money will the closure of the Dockyard produce for the British Government? In the meeting we had with Peter Blaker the figure that was constantly being used was a figure of £10m required to keep the Dockyard going. The Trade Union Movement said at that meeting, would the British Government be prepared to consider, would it take it back for consideration to the Cabinet as a proposal from the Trade Union, Trade Union participation and cooperation in finding ways to reduce that figure because if it is money, if it is a question of wanting to save £10m, then what I said to him in that meeting was, well, if we can in conjunction with you introduce flexibilities, introduce ways of some reduction in manpower if that is required so that the net cost taking in some private work is half of that £10m or $\frac{1}{3}$ of that £10m, then you would be facing a situation where you would still have a Dockyard facility available in Gibraltar that you could turn to at a moment's notice in an emergency that was really costing you very little money because it would be partly financed, part of the cost that you are meeting today would be met by our people doing private work and part of it would be met by our giving you an undertaking that there would be Trade Union support for the sort of measures that the commercial operator

is looking for. What we are saying to him is that we are prepared to give you the flexibility and the cooperation that an operator says he wants which we are not prepared to give an operator, we are prepared to give it to you to keep the Naval Yard open and to keep an MOD commitment to Gibraltar. Why is it we are prepared to do it for one and not for the other, is it just perverseness on the part of Trade Unionists? No, Mr Speaker, we have got a system in Gibraltar which we fought for four years to introduce and we cannot survive a private Dockyard. I do not know whether the Honourable Member will make reference to the discrepancy between the public and the private sector levels in wages and salaries like he did in last year's budget, the figures have been mentioned again this year by the Financial Secretary. I tried to give him some explanation as to the differences last year but the fact that there are differences and we are just talking about wages, we are not talking about conditions of employment, we are not talking about an index-linked pension. The Honourable Member in the past has said: "Why should public sector workers have an index-linked pension, why cannot private sector workers have it?" I picked him up on that and asked him whether he meant that the ones who have it should not have it or if he was in fact suggesting that the ones who have not got it should get it and he said no, the ones who have not got it should get it. Does he honestly think that we have to wait until the 1st May to find out whether there is a private shipyard prepared to introduce index-linked pensions which no private shipyard anywhere has got? Is he willing to wait for that and does he think then that you can have a situation where you have got a driver in the Naval Base with one set of conditions and one wage and a driver in the shipyard which is five yards away from him with a different set of conditions and no index-linked pension and not the same level of sick leave and not the same level of annual leave, completely different working practices, people side by side belonging to the same union and that shipyard can work, that there is a prospect of industrial peace in that situation? That the people in one would not say, "I want what the others have got and I pay the same union and I want my union to fight it for me". Does anybody really think we need to wait until May to find the answer to those questions? Isn't it obvious? This is why the Trade Union Movement is saying that the commercial operation is a non-starter because it cannot meet the fundamental criteria laid down at the beginning by the Trade Union Movement when the first stoppage was called of Dockyard workers and when Mr Fergusson was in Gibraltar and we asked the Chief Minister to represent our views to Mr Fergusson and I think he saw that that was not an anti-Gibraltar Government demonstration, in fact, we were going to him as the political figure with the highest authority in Gibraltar to transmit our views to the British Government and to lay down what we considered were the only basis upon which it would be acceptable to look at an

alternative to the Naval Dockyard and it talked about jobs, about conditions and about pay. Does anybody really think you can have a situation where what is today 25% of the public sector joins the private sector and still maintain the public sector as it is? The relativities created by parity are not something that everybody is overjoyed about, Mr Speaker. All we have to do is look at the salary scales and grades at the back of the Government estimates, the estimates we have got in front of us today, and we will find that there are perhaps a school teacher earning £11,000 on the maximum of the scale and on the other hand the Matron is earning £9,800. That does not mean that this is the right relativity for Gibraltar or for anywhere else, what it means is that the Trade Union Movement fought to establish the parameters for determining relativities from outside Gibraltar because, in fact before we had that nobody could see why anybody else deserved more than he did and if you get into a situation where you are going to have externally determined relativities, what happens is that everybody tends to judge the contribution that he is making to society, the value of his work, more highly than anybody else's and everybody does it and everybody wants to be the highest paid. People are not entirely happy with the system we have today because they think that they should be getting more than other people but they accept that that is a price that has to be paid for the security and the stability of the present system of wage negotiation which has enabled Gibraltar to make substantial progress in improving its standard of living and it has enabled the Government to plan forward its expenditure since 1978 in a way it could never do before. The Government could never say: "Well, £1.6m is a notional figure there", like it has been able to do now. There is no notional figure. Once we give up parity with UK then every union will be watching every other union to make sure that no other union does better than they do and I can assure you, Mr Speaker, that there is no question of us going back to 1972 and the industrial worker accepting a 40p increase and everybody else getting and retaining in the salary scales they have got and getting a percentage increase related to those, that will certainly not happen. If we were not to resist this move in the Trade Union Movement, if we were simply to sit back because we cannot be seen to be antagonising the British Government, because we cannot condemn the things that they do which we disapprove of, if we were to do that, Mr Speaker, as it appears to me has been suggested particularly from this side of the House, then what would happen would be what I am predicting, the Dockyard would close, a private operator would come in and then the private operator would find himself with extreme difficulties in operating or else everybody else would have to be told that they could no longer keep what they have got and they would try to have it and I can see an extremely serious situation arising for Gibraltar if we fail in the Trade Union Movement in stopping what is being put forward as the alternative solution. The absence of a Dockyard and a vacuum creates a problem of a loss

of income and a loss of jobs. The replacement of the Dockyard by a private operator creates as many problems of a different order, of a different nature, but I cannot subscribe to the view that the fact that there are seven potential operators means that if one of those potential operators comes up and says: "Well, I am prepared to take on the Dockyard for £25m and make it work and make it break even in five years time", which is the basis of the Dockyard study, £25m to cover losses in the first five years with a lot of other conditions, presumably, those conditions are not met, then the bill would be higher. If the British Government is prepared to put that sort of money in, how is it that they are prepared to do that, how is it that a Conservative Government that is so sceptical about lame ducks and about putting public money in setting up private companies, is prepared to do that and not prepared to keep a Naval Dockyard open even with the Trade Union offer to reduce the costs? Why? Is it just obstinacy on the part of Mrs Thatcher? Is it that it is not politically possible to keep the Gibraltar Dockyard open when you are closing Chatham and Portsmouth? Do Chatham and Portsmouth enjoy the degree of support from the UK Trade Union Movement and Labour Movement, that Gibraltar does? The answer is no, Mr Speaker. The Trade Unionists in UK, against perhaps criticism from their own members but nevertheless publicly have stood up and said that the case of Gibraltar is in a category of its own because Gibraltar has no alternatives. It is wrong for the Trade Union Movement in Gibraltar to criticise the British Government when in fact it is UK unions that are doing it with the support of their Head Offices? If there is another reason for it, Mr Speaker, if it is not a question of money, if it is a question of breaking the system of parity and of undermining Gibraltar's position, then it makes sense and is it so unusual that this should be so? Isn't it the case that the people in the Falkland Islands that appeared a week ago in a television programme were saying precisely that they find themselves where they find themselves today because of a consistent policy over the years by the British Government, by the Foreign Office of making them more and more dependent on the Argentine Republic or were they being anti-British in that programme? Let us see what has been happening, Mr Speaker, with aid. In 1981/82, we had no new aid from the British Government. Last year, in his statement, the Chief Minister acknowledged the aid that we had received from the United Kingdom and the sustain and support policy for as long as the restrictions continued. Let me say first that as far as the GSIIP is concerned, the GSIIP policy is that the British Government's obligation to Gibraltar arises out of the fact that Gibraltar is not a self-governing territory, that Gibraltar is a dependent territory as we have been reminded in the British Nationality Bill where we are still classified as a dependent territory and as citizens of a dependent territory with a right to apply for registration as British Citizens by virtue of the fact that we belong to the EEC. If we are a

dependent territory, Mr Speaker, then as a dependent territory we are entitled to expect the support of the nation on which we are theoretically dependent because if we are not getting it we cease to be a dependent territory irrespective of whether the restrictions continue. As far as I am concerned, if the restrictions imposed an extra burden, then in assessing the amount of support Gibraltar requires, that has got to be taken into account. If the removal of the restrictions imposed an extra burden then in assessing the aid that has got to be taken into account just like any area that finds itself under threat from a natural disaster or for any other reason can expect the central Government to support. Therefore, our view and the position that we think the House should take and the one that I appeal for unity to the other two political parties, on, is on a common stand asking the British Government to stand by its responsibilities to the people of Gibraltar and to criticise them publicly when they fail to do it as they are failing, Mr Speaker, as they have been failing us for years. I remember, Mr Speaker, being told in 1972 and 1973 and 1974 that the Gibraltar Dockyard was being kept open as part of the support and sustain policy but now it is no longer the case because now they are not closing it because they have given up the support and sustain policy, they are closing it now because they no longer need it. Well, then they did not keep it open before to support and sustain us, they kept it open because they needed it and they have kept it open since 1978, Mr Speaker, paying UK wages. And if they have been able to keep it open and need it and get good work done there and work of a sufficiently good quality and if they tell us today, in 1982, that the cost differential which I have no way of checking, but they tell us that the cost differential between a Gibraltar Dockyard and a UK Dockyard on the work done is 10%, with UK wages and with a very substantial number of UK-based workers who are getting 100% over UK wages, they must have been getting a very cheap bargain in 1974 when we were getting 55% of UK wages and they must have been getting a very good deal in 1972 when a craftsman was getting £17 a week, Mr Speaker, and then they were telling us that they were doing us a favour by keeping it open. They were telling us that they were supporting and sustaining us when they were getting work done in Gibraltar which by their own admission today must have been 90% cheaper than in UK because wages were half and we are only 10% higher now. So I think, Mr Speaker, that there is justification for feeling anger and resentment about the treatment Gibraltar is getting from the British Government. Notwithstanding that, notwithstanding the legitimacy of our resentment, when the British Government has needed to make use of Gibraltar not only have the people working there responded not only has the Trade Union Movement said: "We are not prepared to take advantages of your weakness, we are not going to say to you: 'look, now you either give us a commitment or we black everything in the Dockyard'. We have not said that, we have said: 'We will do

all the work that needs to be done and then at the end if we have to fight you we will fight you but for the moment we are on your side, we are not on the Argentinian side, we are on the side of the British Government and on the side of the Falklands although we do not like any of the things you are doing to us. The people outside the Dockyard, the workers outside the Dockyard, have volunteered to come in and do the work in order to accelerate the work the Dockyard needed doing and we have gone to the General Manager and we have told the General Manager: "We understand the difficulties you have. You are asking us to get the "Olwen" done as quickly as possible with all the commitments that we have got and we are going to try and get it done as quickly as possible and if in fact the "Olwen" gets done and you have to take it out and you have not got anything else to put in, we would not take that as an act of bad faith on your part, we understand that it would be wrong to take ships out of service at this critical time when you need everything that you can keep at sea". We understand Britain's difficulty and we respond to them and we are showing that in our willingness to sit down and try and find a way of cutting down the cost in the Dockyard but that is not finding an echo, Mr Speaker, that is not finding a response and we cannot keep on doing that forever more and wait for the place to collapse around our ears and we are not going to do it and if it is not possible for Gibraltar's political forces to act united, then the Trade Union Movement will act and the GSLP will identify itself with the Trade Union Movement and give it full political support. On aid, Mr Speaker, what is the situation that we have this year and what happened last year? Last year the 1981/86 programme did not start which meant that the aid that we got last year was the aid granted and committed to Gibraltar by the last Labour administration, by Judith Hart, that is the money that we had last year. This year we had, first of all, an offer of £4m with no indication that there was any restriction on its use and then the restrictions were introduced, after the projects had been submitted. What does that mean in practical terms? What are we talking about voting here for money to be spent for and on behalf of the people of Gibraltar? We are talking about a total, Mr Speaker, taking recurrent expenditure and capital works, of £55m and out of that £55m, Mr Speaker, £2.3m constitute aid which is 4.3%. Of the money we are going to spend this year 4.3% is British Government money and 95.7% is our money. What are we talking about sustain and support? If that is sustain and support until the restrictions go, they might as well keep the 4% and then we do not owe them anything.

HON P J ISOIA:

If the Honourable Member will give way. 4%, surely, is the whole of the expenditure including recurrent expenditure, not development aid?

HON J BOSSANO:

What I am saying is that out of the total money that the Government will be spending in 1982/83, 4% is provided by the British Government.

HON P J ISOLA:

If the Honourable Member will give way. But, surely, we have never asked the British Government to support the recurrent budget which is the major part, have we?

HON J BOSSANO:

The fact is that the other side of the House has never wanted to do it, in fact. We on this side have. It is not true to say that we have never wanted it. In fact, one of the things we included in the last constitutional proposals was precisely that but what I am saying is that it is realistic and honest to say to the people of Gibraltar that the Government of Gibraltar will be spending in 1982/83 a total of £55m both in the running of existing services and in investment in new capital equipment and in new services and out of that total of £55m, 4.3% of the total money that is going to be spent in the coming financial year is going to be provided for by the UK Government and that is the degree of sustain and support that we are getting. That is what I am saying and I think that that is the reality of the situation, Mr Speaker. In 1972/73, when I joined the House of Assembly, the revised figures of expenditure, and I have taken the revised figures, Mr Speaker, because if we look at the back of the estimates we will find that we do not get a final figure for the development aid, we get an estimate and a revised estimate so in order to do a comparison of like with like, I have taken the revised estimates for all the years since 1972/73 both of development aid and of total expenditure taking recurrent and capital works and I find that in 1972/73 it was 25.6% of the total. In 1973/74, 23.7%; 1974/75, 24.9%; 1975/76, 17.5%; 1976/77, 10.4%. I am sure that it will not have escaped Members that the percentage keeps on coming down. 8.9%, 1977/78; 7.4%, 1978/79; 8.7%, 1979/80; 1980/81, 11.1%; 5.4% last year and 4.3% this year, the lowest figure since I joined the House of Assembly of British Government assistance to the running of Gibraltar. And whether we are talking about capital aid or recurrent expenditure, let us not forget that the decisions as to what goes into the capital programme or what does not is to some extent ours and there have been items that used to be included in Public Works Annually Recurrent which were moved as part of the development programme and therefore they were already there so it is important, I think, to understand because I do not mean we must give the impression, Mr Speaker, that Gibraltar today is being heavily subsidised by the British taxpayer, nor should we accept that accusation being levied against us, it is not just

not true, Mr Speaker. What does it mean for the average man in the street? What can we tell him that he can understand out of the figures that we are voting in this expenditure estimates? Well, the last figures that we have in the abstract of statistics show about 10,500 people in full-time employment. I would think it is reasonable to use a round figure for the purpose of illustration given that the labour force has been shrinking for the last year and is continuing to shrink. That we can say that the total number of people employed in Gibraltar in the year 1982/83 would be of the order of 10,000. Those are the people producing Gibraltar's wealth and we are spending, the Government is spending in providing services for those people and in investing in future services for those people, £55m, £5,500 per head for each one of those workers. Out of that £4,500 is being paid for by the people who are working themselves; through taxes, through telephone charges, through either direct charges for the services they consume or through a tax on their incomes. £750 is being borrowed by the Government on their behalf and will have to be repaid by them in the future and £250 is the ODA grant for each one of those 10,000 workers and out of those £250, £160 is still what is left over from the 1978/81 programme granted by the last Labour Government and only £90 is new money. That, I think, is the stage at which we are today and I think that that does not merit definition or description as a continuation of the policy of sustain and support. I do not think that in 1982/83, with those figures, the Gibraltar Government is receiving the level of sustain and support that they have every right to expect if the British Government is to fulfil the pledges that they have made in the past. At the same time, Mr Speaker, the third element of, not uncertainty, I am afraid, because it is anything but uncertain, the third element undermining our economy like the threat of the Dockyard closure is, like the de facto termination of aid is, is the potential frontier opening the effects of which we do not know but we know one thing, that there will be a dislocation of the economy of Gibraltar, of that there can be no doubt, because there was one when the frontier closed and there will be one when the frontier opens because it is natural that there should be because if the economy of Gibraltar adapts, if it fails to adapt then it will be a disaster but if it does adapt it implies a dislocation, it implies change, it implies a different way of doing things, it implies new markets for some business and the loss of markets for other businesses, competition of a nature that we have never faced before in Gibraltar even before the frontier closed. The Financial and Development Secretary in his own statement made a reference to the possibility of transport coming in overland. What could that do to the docks? Could it mean that the docks in Gibraltar could lose so much traffic that it would just be impossible to keep them going? Could we face even more redundancies than we have had in the last year in the docks? We do not know, Mr Speaker, but it seems to me that reading between the lines, from some of the statements

made by some Members on Government benches, it seems to me that there are those, presumably within the Foreign Office, who claim to believe that the frontier opening will replace the need for assistance from the United Kingdom and produce sufficient income to offset the loss of income from other sources. Not only is this not true but it is not even certain that the income that the open frontier could bring in would offset the income that will be lost because of the open frontier because they do not necessarily accrue to the same person and the Government may find that the areas of the economy that are adversely affected are from a Government point of view revenue producing areas and the ones that are developed are not revenue producing areas and there would be a net loss to Government. Taking the three things together, Mr Speaker, is it a question then as the Honourable and Gallant Major Peliza has said, that we have to bring this home to people in the United Kingdom who are not aware of it and that it is a question of an oversight on the part of the British Government, that the British Government does not know what it is doing, does not know what it means, does not know its implications for Gibraltar? Is it that the Gibraltar Government has not made the British Government aware? That the Financial and Development Secretary cannot produce the sort of analysis and even better figures than I have access to to back that analysis? Is it not the case, Mr Speaker, that before the decision was taken in November to close the Gibraltar Dockyard, the PEIDA Study spelling out the consequences was already in the hands of the British Government? Can I or anybody in this House of Assembly say anything to the British Government about what they are doing to the economy of Gibraltar and that they do not know already? I would submit, Mr Speaker, that the answers to those questions is no, they know what is being done, they know the danger that it carries and our job is to make sure that not only do they know but that we know what they are doing and we do not intend to let them get away with it. That is the political answer on which we should all be united. I know that I have been unable so far to persuade other Members that that is the line that should be taken. I can tell Members that my view is not a minority view outside the House of Assembly. Not only is it a view that is prevalent in the trade union world but it is also a view that is held very strongly by many people outside the trade union world and therefore there will be resistance to these moves and the resistance, as I see it, will come inevitably and initially in the Dockyard itself. The passage of time will bring about a confrontation because the British Government even at this late stage, even after the Falkland crisis had started, has given no indications that it is willing to even defer the date, Mr Speaker, which is only, in fact, giving us a breathing space. To defer the date does not alter any of the consequences that I have spelt out, it just gives us an opportunity to try and think analytically about what direction the economy of Gibraltar could take or should take. I do not know what the Honourable Minister for Labour

and Social Security meant when he said in the interchange that went on earlier in the House, that we knew where we wanted to go, when he had said originally that we did not know where we were going, I think we do not know where we are going and I agree entirely with him and I think that the people outside the House are not confused, I think they are complacent because they are not getting a message of just how catastrophic the situation is, they are not getting that message. The message that they are getting is that somehow, some way, some miracle will happen at the last minute which will save all our necks. It is not going to happen, Mr Speaker. To fight it will create a lot of chaos and disruption, not to fight it will bring about a lot of chaos and disruption and, perhaps, the only thing in which I am like Mrs Thatcher is that I am not prepared to go down without a fight and therefore I regret to say that the fight seems to me to be inevitable like it seems to Galtieri on the one hand and Mrs Thatcher on the other. I am doing something that the British Government should understand because what I am doing is telling them that the fleet is on the way but hoping it will never need to get there and it will never need to be used. Well, perhaps it is a small fleet but the British one was on its way to being a very small one, Mr Speaker, the way they were getting rid of stuff. I do not think we have any choice, I think we either accept defeat or we try and salvage Gibraltar while there is time to salvage it. Once the Dockyard is closed no power on earth will re-open it, once that is gone it is gone and it is gone and if there is a private operator and if we lose the battle, it will not mean that Gibraltar will sink into the Mediterranean, it will mean a different Gibraltar, that is what it means, for which we are not prepared and for which the people outside are not prepared and there is no indication that people are being made conscious of the magnitude of the change that is required of them and there is no indication in these estimates, Mr Speaker. This is not the estimates for a Gibraltar without the Dockyard, this is a continuation of the way of doing things and of running things that we have had in Gibraltar so far and which the people want to carry on, let us be clear about that, the people do not want to change from what they have got, they live well, they live happily and secure and they want to keep it for them and this is why the Trade Union Movement is trying to keep the Naval Dockyard because that is an essential part of it. The Honourable and Gallant Major Peliza last year pointed this out before the Defence White Paper, when he spoke of how happy he was about the fact that Gibraltar's importance as a Naval Base and its continued use in the Dockyard was the lynchpin of our economy. Clearly, that was true last year, is true this year and will be true in 1983, that is why we cannot afford to do without it, Mr Speaker, it is not a question of building hotels to substitute for the Dockyard. The nature of our economy would be transformed beyond anything we have experienced so far. The transition from the system from before

parity to the system of the introduction of parity in 1978 was a minor change compared to this. We already have a situation, Mr Speaker, where we have got increasing unemployment on the one hand and a queue of people wanting to import labour on the other. Does anybody honestly think that if the frontier had opened on the 20th of this month or if it opens on the 25th of June that would do anything other than draw any labour from outside, they have very little contact with the realities of the labour market of Gibraltar if they think that. The reality is that ever since it looked as if there was going to be an open frontier, there has been a constant flow of workers from the other side wanting to get their foot in first in the door, Mr Speaker, coming in to set themselves up to make the necessary contact to find jobs. They have come looking to me to help them and I have told them that they have obviously been misdirected because the last person they should be coming to should be me. I am the one who is saying that in fact we cannot afford to loosen the quota in any way otherwise we will find ourselves on top of all the other things that I have been saying with a situation of increasing waves of school leavers with no jobs to go to. I have mentioned this before when we discussed training, when we discussed the provision that the Government is making in the Training Centre. The order of commitment to training that is required is far in excess of anything we have tried before if we are going to contain this problem. We are not even touching the surface of it, Mr Speaker. There is no way that somebody with 2,000 unemployed carpenters in La Linea, is going to take somebody with one year's training from the Training Centre and train him for three years before he can start doing any jobs as a carpenter, there is no way, no employer would do it. Already we have situations in Gibraltar where there are people with contracts stipulating in Gibraltar where there are people with contracts stipulating one wage and working for less than that contract and it can be put right because the law has been broken but then the person concerned that has come for advice says: "Alright, but can you guarantee me that I won't get the sack because if I am going to get the sack for complaining about being underpaid then I would rather work and be underpaid". That is already happening today, Mr Speaker, and I know where it is happening and I do not know how to solve it. These sort of problems people in the Foreign Office may not be aware of but they have got to be made aware. We are facing an extremely serious situation and as far as I am concerned the Government has done the only thing it can do, try and keep the status quo but that is all. The budget is not the answer to the problem. All that these estimates do is effectively to repeat the exercise of Government expenditure in the last 12 months over the next 12 months. I think that the seriousness of the situation facing Gibraltar is such that it will come down on top of us whether we acknowledge it at this stage or we do not. There is an inevitability about this thing and

one can see it getting nearer and nearer and it will be, as I see it at the moment, Mr Speaker, it will be the Trade Union Movement that will be at the forefront of fighting this battle and not, in fact, the political leaders or the House of Assembly. I am sorry that in a situation as serious and with a background like this so much time has been spent in this House, I think discussing, quite frankly, trivialities. Whether the cleaners spend an hour and a half or four hours in cleaning the classroom is irrelevant when what is at danger is whether we are going to have any money to provide classrooms or pay teachers or have schools and it is of that order the problem that we are facing, the entire public sector is put at risk and the whole system of social services and of Government is put at risk. When everything is alright then we may have to go into a debate about whether the Government or the people in Opposition would in Government do something else. I do not think this is the time or the occasion to go into a debate of that nature and therefore I am confining myself, Mr Speaker, to what I think to be the real serious challenge facing Gibraltar and which I think we are failing to rise to.

The House recessed at 5.00 pm.

The House resumed at 5.20 pm.

HON P J ISOIA:

Mr Speaker, I have pleasure in winding up this debate on behalf of the Party I have the honour to lead. I am sorry that the speaker who preceeded me, the Honourable Mr Bossano, thought that I was being a little sensitive in insisting on winding up on behalf of this side of the House. I am sorry, too, that he was under the impression that he had successfully established the practice under which he should enjoy the privileged position of being the speaker who passes judgement on my party and on the Government, and there it is and that is final. Well, that is something that we cannot accept because from our experience in the last two years, and this has been repeated this year, the Honourable Mr Bossano seems to pay far more attention to what is said on this side of the House than what is said on the other side of the House. It is not always clear with us where he stands in the political field in Gibraltar. Whether he has an unholy alliance going that we know nothing about or whether he reckons that we present a much greater threat to his ambitions than the party opposite. I am sure the party opposite wouldn't agree with that either. I hope the Honourable Members opposite will forgive me if I do say a few things or, perhaps, treat his particular speech with more care and analysis than perhaps some of the others. I don't think the House wants to be here all night. Mr Speaker, let me tell the Honourable Member why my party decided that I should be the last speaker on the Opposition

bench and why we insist in maintaining that position. I am not going to remind the Honourable Mr Bossano that on the single occasion that he was Leader of the Opposition, he was accused of leading his troops from the rear by the Honourable Financial and Development Secretary, and that he then threw that at me in the Budget of 1980, and in 1981 I spoke before him. Why did I speak before him in 1981? I think I can say. The reason for it was that there was not a comprehensive statement made of my party's policy and it would have seemed a bit odd if the Leader of the Opposition didn't make, or there wasn't a statement of comprehensive policy made on behalf of the official Opposition. On the other hand, it is quite obvious in the way we conduct our affairs, that there is a need for a speaker to start and one to end on behalf of the Opposition. We took the view on behalf of the Opposition as is done in England I might say on a great number of occasions but that nevertheless there was a need to put forward Opposition policy to the House at an early stage and that is why, Mr Speaker, that my Honourable Friend, Mr Restano, gave the Opposition policy on the estimates of expenditure and revenue for 1982/83 so that Honourable Members, including the Honourable Mr Bossano, should have the benefit of that policy statement at as early a stage in the debate as possible, and we produced a statement from my Honourable Friend which was longer, Mr Speaker, we don't necessarily claim greater quality as a result, but it was longer than the speech made by the Honourable Financial and Development Secretary and the speech of the Honourable and Learned Chief Minister, so the House can be in no doubt and the people of Gibraltar can be in no doubt of where we stand on the estimates of expenditure for 1982/83. In these circumstances, we saw no good reason why the Honourable Mr Bossano, should feel he was entitled to have the privileged position of being the last speaker on the Opposition benches, and that has therefore ceased this year and this practice will continue because, I am entitled, the Democratic Party of British Gibraltar is entitled to answer the Honourable Member if he says anything that affects our policy, and by the time he speaks, he has heard 5 members of my party giving the views of the party and I think it is not immodest of us to keep one speaker back to deal with any genuine points that he may raise with regard to our party policy. So I am sure he will agree, on reflection, that this is a far more sensible and democratic manner of dealing with the serious question of the estimates of expenditure and revenue in any particular year and one likely, I think to satisfy all sides of the House more than the position that we had heretofore under which the Honourable Member was free to criticise and attack without an answer and that we are right in that position and I think it is perfectly reasonable that we should do so. But, in order that he should have no doubts about what the DPBG stands for, we gave him a copy of our policy statement so he had the opportunity to read it overnight, digest it, and I think if he had done, he would have

seen there was more in it than just criticism of whether cleaners clean the schools properly or not. That was one of the things in it but there were a lot of other things. Twenty seven pages contained a lot of other meat which he didn't bother to deal with. No, Mr Speaker, my Honourable Friend, much as I would like him to, is not shadowing the Honourable and Learned Chief Minister, that is my job and my responsibility and one which I will carry out as well as I can. Mr Speaker, the Honourable Member, some phrases that he mentioned, and I'll deal with him first, if I may, because his speech will be fresh in the minds of all of us here and some of his phrases I think do require a little examination. One of the first phrases of the Honourable Member was that his reaction to the debate is one of despair at the leadership of the House. I presume that when he talked of the leadership of the House he was not referring merely to the Honourable and Learned Chief Minister. I took it also as joining the official opposition with the Chief Minister as well because I think he has a curious habit of trying to make out to the public in general that he is the only one who stands up for Gibraltar and that all the rest of us are just minions. There are various articles that have come out in "The People" and I think he has more or less told us that the Chief Minister and myself are just about to sell Gibraltar down the river and do everything we are told by the British Government and he is the only man who stands up for the rights of the people of Gibraltar. Well, of course, we disagree with that and we hope that the majority of the people of Gibraltar also disagree with it. We have a different approach, it is true. Mr Bossano tends to look at everything as black or white. If we think something is black he will say it is white and if we think something is white he will say it is black, and I think it is time that the Honourable Member realised that his threats and that what he will do, or what his Union would do, or what everybody else will do, and if you don't toe the line you will be in trouble, just fall on deaf ears as far as this side of the House is concerned. We believe that the people of Gibraltar are sensible. We believe that the people of Gibraltar know what they want and know where they are going, and it is for us in the Democratic Party of British Gibraltar, and my Honourable Friends opposite, and the Honourable Member himself, to provide the responsible leadership that the people of Gibraltar require and to provide it, Mr Speaker, in times of real crisis and not to lose our nerve. I will agree with the Honourable Member that we are living in times of real crisis and in times of a crisis that has been possibly made worse by recent events in the Falkland Islands. It has created more concern and more problems for the people of Gibraltar. We are very conscious of that and we have measured our words very carefully in our policy statement especially on the issue of the Dockyard. We feel just as strongly as the Honourable Member does on the seriousness for the economy of the Dockyard closure. We feel just as strongly as the

Honourable Member does on the need to keep the Dockyard going if possible. But we are equally conscious of the fact that Gibraltar cannot be the final arbiter of that decision. Gibraltar cannot decide British defence policy, cannot change that defence policy on its own. Gibraltar cannot determine and decide finally British foreign policy. That is a matter for the democratically elected Government of the United Kingdom and that is a fact that the Honourable Member seems to ignore when he tries to raise passions among people on the issues that face Gibraltar today. It is quite clear to me, from his speech, that the Honourable Member is convinced of three things, and he said it, innuendo and then the accusation. We said the insinuation, he says: "No, it is not an insinuation, it is an accusation". The accusation, he says, is that it would be wrong to look at the decision of the Dockyard closure outside the ambit of British defence policy, that is what we said, and to insinuate that the Dockyard closure is a deliberate British Government move to undermine the will and determination of the people of Gibraltar to remain British. He said: "that is not an insinuation, that is an accusation. We of the GSLP say that the closure of the Dockyard is a deliberate move on the part of the British Government to sell Gibraltar down the river." Nothing to do with defence policy at all. We reject that, I tell him. We reject it absolutely, because if we didn't reject it, Mr Speaker, we would have resigned from this House. Secondly, he talks of the effective termination of Development Aid. That is the accusation there again to undermine. I will deal with that in a minute. And then he said, the implementation of the Lisbon Agreement. Those three things, he says, convince him, perhaps it is because of the phobia he has about Mrs Thatcher. I won't talk to him Mr Speaker, of the phobia I now have of Mr Wedgwood Benn, who if he had been Prime Minister of the United Kingdom today would have sold the Falkland Islanders down the river and sold us afterwards. Suggesting that they should go to the United Nations to settle it knowing full well that there is a resolution of the General Assembly in the United Nations that says that the Falkland Islands are part of Argentina and there is another resolution that says Gibraltar is part of Spain. But we musn't have these phobias, Mr Speaker, we musn't have these phobias because if we had them they colour our judgement. There is a Government in the United Kingdom representing the people of the United Kingdom and that is the Government that we have to deal with, and whether it is labour or whether it is conservative or whether it is communist we have to maintain friendly relations with that Government. I notice the Honourable Member mentioned Development Aid 1978/81, that was given by Mrs Judith Hart, as if to say: "There you are, that was a Labour Government that gave it". But we have had Development Aid over the years from Conservative Governments and Labour Governments. The colour of the Government has not affected, in my view, the sort of Development Aid we have got.

Now it does, but not because of Gibraltar, and this is what my Honourable Friend doesn't recognise, not because of Gibraltar, but because of the economic policy that that Government is following, that it believes in.

HON A J CANEPA:

If the Honourable Member will give way. Partly because of Gibraltar because they say that we are too well off in Gibraltar.

HON P J ISOLA:

I will come to that in a minute and I will say why we are too well off, too, that is the responsibility over there and I will talk about that in a minute. They have a new economic policy. My Honourable Friend talked about policies, he is the economist, and yet he is propounding policies, Mr Speaker, as of right that ignore entirely the world economic situation. He has been praising the Honourable Financial and Development Secretary for his contribution and for his clarity and so forth. My Honourable and Gallant Friend wasn't so praising and I hope the Honourable Financial Secretary didn't take his remarks too seriously because we think he does try and keep out of the political arena, but my Honourable Friend, Mr Bossano, was praising him for his picture and part of this picture was the world recession, the economic facts of life as they are hitting, fortunately not yet Gibraltar, but they are hitting Britain, America, and all the modern industrial nations. This is one of the economic facts of life which I would have thought an economist would have recognised in planning what he should do about it or how should Gibraltar be affected. But, Mr Speaker, I see a very big danger in the policy and in the attitude of the Honourable Member and I hope he will draw away from the brink. The big danger that I see is that the Honourable Member, having started from the premise that Gibraltar is bound to be betrayed, that the whole of the scheme is to make Gibraltar part of Spain and for the British Government to ditch Gibraltar as a nuisance, having made up his mind on that point, knowing the way his mind works, the logical nature of his arguments, we are always very impressed with his logic in this House, it means only one thing to me - British get out. That is, to me, clear, the direction in which the Honourable Member is, perhaps unwittingly, but heading the people of Gibraltar for. Confrontation of the worse kind possible and unfortunately, Mr Speaker, we are not as big as the Argentine, confrontation which we lose if we are unreasonable in the way we confront and in the way that we fight and in the result that we demand. Confrontation that we will lose. I am surprised that the Honourable Member speaks in the way he does unless he is convinced that he must do a deal with some other country or something because he knows more than anybody else the facts of life in the world

today. He reads the newspapers, he reads the Financial Times, doesn't he? He reads The Times, he reads The Guardian; he reads every paper as far as I can see and we read his papers. He knows the way the world is thinking, he knows the way attitudes have changed since the good old days of 1950's and 1960's, and we have to recognise that and fit in and although we will criticise the British Government ourselves, we will have question marks in our minds about certain things, we will be worried about other things, despite all that, in our own minds we must decide whether we believe that despite all these problems, by and large, the British Government and the British people are with Gibraltar and respect the engagement they have entered into with Gibraltar. If we believe that, we can fight them as friends, whatever you like. But if we don't believe it, then it is a very different situation, Mr Speaker, and I am concerned that the Honourable Member doesn't believe it. And I will tell you why as well, because I have spoken to correspondents who have spoken to the Honourable Member and they have told me what the Honourable Member has said to them. He has talked to them about an independent Gibraltar, I know, all sorts of theories which are very good for the newspapers. He will have them all around him every day, I can assure him. Some novel idea. Listening to me, always saying the same thing, first party objective "A", second party objective "B", and I don't move from that. They are not interested in that. They are interested in something new, so they come to my Honourable Friend and of course he gets the publicity, he gets the reported disruption in Gibraltar, and everything else. Whether that eventually does Gibraltar any good I don't know, and I would like the Honourable Member to seriously consider that although in Gibraltar he may wield great power, maybe he doesn't, but although in Gibraltar he may wield great power, that is peanuts, peanuts, when you are talking with a United Kingdom or any other country in Europe. It is peanuts, it is sheer suburbia, not even suburbia, it is village cricket. This is what the Honourable Member should remember because he does lead a great section of the population of Gibraltar. A lot of people in the Trade Union Movement look to him to leadership and for advice and a lot of them will follow what he says so he ought to think before he talks and follow the logical consequences of his thought and see whether those people at the end of the day will thank him for that. That is what I think every politician has to think about. We don't think about being popular today and say what people want us to say and then not face the consequences. We in the Democratic Party of British Gibraltar believe very sincerely that the British Government has given an assurance that it will seek an alternative way of discharging its obligations to the people of Gibraltar, and one of them is, as we know, and we don't like, because we are not sure, there are other problems, the Honourable Member has pointed out a lot of them, one of them is a commercial dockyard in the Dockyard. One thing is clear

to my mind, and I am sure that must be the view of all Honourable Members, and that is that the British Government will not just close the Dockyard and say: "Bang goes 25% of your economy". I don't think they will do that, I don't believe they will do it unless, of course, we in Gibraltar just refused any help that was offered, just refused everything and didn't look at anything and said: "Get stuffed, we don't want any of this, you jolly well keep the Dockyard going or if not face the consequences", and I just fear that in that situation we might be facing the consequences and not them. We believe that, we believe that it must be an alternative viable economy. We must be satisfied on that. I know there is this PEIDA report, we've all read it and we are all very concerned about it. Now there is another one going round, I believe, which we are going to hear about at the middle of this month. On the question of the Dockyard the British Government are going to wait the submission of the seven tenders or whatever number it will be, end of May. Then it is going to be looked at, then it has got to be seen whether it is viable. The proposals have got to be studied by the British and the Gibraltar Government. We said in our statement that we would hope that elected Members would be invited to participate in that because the decisions that are made will affect Gibraltar for many years, if any are made. We are keeping our options open but we are not closing all doors. We don't think it is reasonable, we don't think it is right, and we don't think anybody in England would consider it to be reasonable or right. I must remind the Honourable Member on this point, when I had the honour and the Chief Minister was there, too, himself, to be invited to lunch with Mr Bossano's Head Office, with Mr Moss Evans; he said, and I fixed that in my mind, he said to the Honourable Mr Bossano when he was talking of what could be done and disruption and so forth and to change the British Government's views, he said: "Let me be the Devil's Advocate, Mr Bossano. Do you think you have the political muscle in Gibraltar? Do you seriously think you have the political muscle, or Gibraltar has the political muscle to change the British Government's decision when we have not been able to do it in England?" And that is one of the questions. I believe that the Member of Parliament, the British/Gibraltar group, will make sure or will fight that we get a decent deal. I think they will fight to keep the Dockyard open so that Britain can discharge its responsibilities to Gibraltar if there is no viable alternative and they are satisfied that there is no viable alternative economy. What I believe they will not do is to fly in the face of facts, fly in the face of advice on the matter that the alternative economy or whatever it is, is reasonable and so forth. We don't know yet what it is going to be. I think they would help us then. They will help us to get the support that we require to change our economy if that becomes finally necessary. And I think that we must keep our options open. If we have to die, Mr Speaker, we have to die, and we can fight dying, we can jump off the end of Europa Point. But if we don't have to die, Mr Speaker, why on earth should we die? We will not be a party to

suicide. If the Honourable Member wants to lead everybody over the cliff, well, it is his privilege. My own feeling is that if he is not careful he will be pushed off the cliff, I don't think people will follow him, I won't use the word reasonable, we have to be realistic, we know what Gibraltar needs, we know what we have to fight for and our best chance of getting it, Mr Speaker, is by a united front. Does the Honourable Member think he has got any hope in heaven of achieving anything except martyrdom if he isolates himself from the political force in Gibraltar, from other political parties, and goes his own way? Does he think that does a service to the welfare of his members and of the Gibraltar population? Does he think that he can change an agreement made between the Gibraltar Government and the British Government and possibly supported by us, I don't know, we are looking ahead. That he can stand in the way? He is living in cuckoo land, Mr Speaker, if he feels that. But it would be a tragedy for Gibraltar if the elected Members of the House on this issue, as in the issue of Spain, as in every big issue that affects us, we are not able to make a united stand. We would certainly go as far as we can on this. If what comes out of a wash is not satisfactory, we will fight. If the British Government is offering us peanuts or what is going to happen puts Gibraltar at risk, then we might join in this suicidal march because we are all fighting for the same thing: the survival of Gibraltar and of its economy. Mr Speaker, I was disappointed, although don't get me wrong, I agree with a lot that was said; but I was disappointed with the measure of British Government Aid to Gibraltar, with the way it has been dealt with by my Honourable Friend. I agree completely with him that at the moment they are failing in their commitments at this point of time to the people of Gibraltar to sustain and support them. I have heard the Minister for Economic Development, I know the problems that the Government has on this. I say possibly let us give the benefit of the doubt, possibly, the right time to decide the whole question of Gibraltar aid is when a decision is made on the Dockyard, possibly, there is something to be said for that. Let us look at both sides. Then we will give you the Dockyard, we will give you the assistance necessary for the commercial dockyard but as that will not be enough to sustain the economy in the present form, then we will also give you aid for supplementary economic activity. Possibly there is something to be said for that, I would not condemn them outright for that. But I recognise the very real difficulty that they have put the Gibraltar Government in and through the Gibraltar Government the people of Gibraltar, in the development programme. But I think, Mr Speaker, that as far as past developments is concerned, the British Government has been there with support and sustenance when it has been required. The British Government has supported and sustained Gibraltar in a very big way since the frontier restrictions commenced. The way the Honourable Member puts the figures is, I am afraid, very misleading, and he should know better being an economist,

very misleading. Because, you see, Mr Speaker, the present Government, and this is where I was talking about Development Aid and where we think there has been some difference. The policy of the GLP/AACR, over the years, as I understand it, and it is for the Chief Minister to explain it, not for me, has been really: "We don't want from Britain any more aid than we need. We want to get on our own two feet. We asked for aid on the current budget when it was really necessary but now we don't need it and we want just aid on the capital budget", and that is what they have got every time, I believe, in a satisfactory manner to them as far as capital is concerned, and I believe in a satisfactory manner to us, as far as capital is concerned, and to their present problems today. We, in one budget, I think, when we had quite a big set-to with the Government, we believed that it was wrong, and we said this, we may be wrong, but this has been our view, that the people of Gibraltar are overtaxed and that therefore the British Government in the situation Gibraltar was in should have given aid towards the recurrent budget. The Government didn't want it because this would have made us subject more to Whitehall, etc., but we thought we should because of the position of Gibraltar, but the Government didn't and they never went for current aid, really, except, I think, to do with television.

HON A J CANEPA:

The Government asked for specific items and it was turned down by Mrs Thatcher's Government.

HON P J ISOLA:

That is right, that was done, I think, in 1979/80, that was done then. The economy was nevertheless, through overtaxation, as we say here, it was built up to the extent that the Financial and Development Secretary cannot hide his satisfaction at the surplus balance Gibraltar has and at the surplus we will have next year and I am not surprised, although I don't agree, in those circumstances that the British Government to a certain extent, especially with the way they are thinking not just with us but with their own people in England says that in Gibraltar we are very well off. I am not surprised that that argument is put forward, I don't think it is true, I don't think it is correct, but I am not surprised it is put forward. But I am surprised that the Honourable Member should think that sustain and support means that they have to pay our electricity bills and our water bills and we can do away with tax and so forth because the recurrent budget, Mr Speaker, you are talking of £21m of income tax, you are talking of £7m or £8m of import duty, that is £29m, and you are talking in the funded services of revenue, I don't know, £4m or £5m, whatever it is. Our budget is mainly from this sort of taxation which is paid in England and is paid everywhere. Is the Honourable Member saying to the House and to the public by putting the picture

of the percentages the way he has placed it, that in Gibraltar we should not pay income tax, and we should not pay for water? He might get my support on this but he wouldn't get away with it of course. You see, Mr Speaker, the way he has put the percentages, of course they look low to the average person who sees it. I mean, even in 1972, 25% of the total budget, people might say: "Well, that is not so much," but of course it was a hell of a lot, Mr Speaker, unless the Honourable Member feels that they should pay for our water, electricity and taxes.

HON J BOSSANO:

Mr Speaker, the Honourable Member knows very well that I have not said we shouldn't pay tax or anything else. What I have said, in fact, is that the aid given to Gibraltar has been diminishing in real terms and that is shown clearly. And if we had £2m of aid in 1972 and we had £2m of aid in 1982, then; clearly, the aid in 1982 is not the same as the aid in 1972, and a realistic way of assessing the importance of the aid is the extent to which we are paying ourselves for what we are consuming and the extent to which we are being subsidised, if you like, by the central Government and I can assure the Honourable Member, if he cares to find out from his Friend and Colleague, the Honourable and Gallant Member who lives in UK, that any Local Authority gets far greater a proportion of its local expenses met by the central government than we do in Gibraltar.

HON P J ISOLA:

Mr Speaker, central government happens to be what we are in here, not the United Kingdom, and the Municipal Services are, in fact, subsidised by the central government but what the Honourable Member doesn't realise that the policy of support and sustain must surely have a qualification - to the extent necessary. If the economy of Gibraltar is brought up, be it by more taxation, by more electricity charges, by more receipts from income as a result of higher taxes and so forth, it is not argued seriously by the Honourable Member that Britain should still give more money. I know that this is an argument every time, it is a matter for argument whether we are getting enough support and sustain or not, but it is a matter of judgement, British Government judgement, Gibraltar Government, our judgement and the Honourable Member's judgement. But what I think is entirely wrong is to give the impression that we are being ditched by the British Government. I think that is wrong. I think we have been let down this year, I think the British Government having hit Gibraltar the blow of morale, at the moment it is just a blow of morale, if it carries on it could be a mortal blow, the Dockyard. But having hit the people of Gibraltar with a blow of morale of the closure of the Dockyard, the unexpected and sudden announcement, I think

the British Government should have helped the Gibraltar Government at that time with aid. It did give £4m, it is true, but then it didn't allow it to be spent the way the Gibraltar Government wanted it to be spent, but this is happening all the time and this doesn't mean that we are being betrayed, this is the run of politics between Gibraltar and London, Civil Servants in London and Civil Servants in Gibraltar, Ministers and so forth. I don't give any particular thing on that, Mr Speaker. What I think is important, Mr Speaker, is the attitudes of political parties and members, and I have been very, very alarmed, and I don't mind saying it, very alarmed and very disappointed with the road along which the Honourable Member is travelling. If he travelled along it on his own it wouldn't worry me so much, what worries me is that he is going to take a lot of people with him and what the result of that is going to be only history will tell. Having said that, Mr Speaker, I expressed at a very early stage in the Governor's committee, the view, which the Honourable Member has also said here, that it seems to be very difficult how you are going to have a naval base and an air base in Gibraltar and part of the Dockyard so close to the Naval Base as a commercial yard. I see the real serious practical problems in that, I don't mind saying it, I do see them, and I suggest that the easiest way must surely be, keep the Dockyard going. This seems to me the simple way. But, apparently, at the moment, it is not to be. At the moment it is not to be and we are faced with that situation and we want an answer to that situation. You either keep the Dockyard open or you give us a viable alternative for the economy that meets the fears and the aspirations of the people of Gibraltar. I think that that is a stand that is likely to command support where it is necessary, in London, because then the people of Gibraltar are being reasonable, are fighting for what is theirs. I agree there is a big difference between Portsmouth and Chatham and Gibraltar. The people of Portsmouth and Chatham can look for jobs elsewhere if they are supported by supplementary benefits, if the whole of the United Kingdom is supporting them, here in Gibraltar it will be very few people and it would put an impossible burden on our economy. We all know that and I think that is readily understood in England and I think it is understood by the British Government as well. But I don't believe, Mr Speaker, that we can look at the Dockyard closure as being outside the ambit of defence policy. It came in a White Paper, other dockyards were affected, and I must tell the Honourable Member this, that certainly Members of Parliament I have met found it very difficult to accept that Gibraltar should stay open and Portsmouth and Chatham closed. That is another reality I feel we have to face. I am glad to hear that the Trade Union Movement at this stage, in England, recognises the special position of Gibraltar and I only wish the British Government also did. But I must tell him that certainly Members of Parliament that I have met have come up with that reaction. The Honourable Member referred to the letter of the Prime Minister of the

16th of April. Unfortunately, I don't know when that arrived in Gibraltar. It was made public, I think, in "The People" today. Unfortunately, letters like that, I would have thought, would have been important to let people have, specially those who are concerned in the struggle but, anyway, we all get "The People" so we read it there, and we got it free today which is a bonus for us. I am not surprised with the letter of Mrs Thatcher, I am not surprised that she would write that letter. We haven't seen the contents, all I can refer to is the report in "The People" of it, but she refers there to the target date, talks of the target date, that is what they told us in London, the target date. There was an element of flexibility in that in London, I went away with that impression myself. And then it goes on to suggest the British Government decision to close the Dockyard or that it can be deferred, to make that assumption, would be wrong and that we know, that is what they have said. Whether the Falkland Islands crisis changes that position or not we can only hope and pray, that the defence situation will be reviewed considerably and having regard to the obvious strategic importance of Gibraltar in the whole operation and in any similar operation not just in the South Atlantic but anywhere else, that perhaps the British Government, having seen the tenders, for example, of May 31st, having seen the problems that may bring and having seen the economic reports that have been made about Gibraltar, that they may say: "Look, as far as Gibraltar is concerned, this seems to be the answer", or they may not. We just have to wait and see.

HON J BOSSANO:

Mr Speaker, may I ask the Honourable Member perhaps to clarify something for me. I would ask him first does he accept, in fact, that the true situation is that the British Government has answered to the memorandum that we submitted asking for deferment, that the closure date cannot be deferred and that the flexibility which he mentions is a flexibility in terms of the month in 1983 being suitable or unsuitable for a potential operator and is the policy of his party that we should wait and see what the operator has to offer and if it is not acceptable, I am not quite sure to whom, to him, or to the British Government, or to the Trade Union Movement, then we fight, or we accept whatever the consequences may be? What do we do then?

HON P J ISOLA:

The policy of my party is quite clear, Mr Speaker, I have said and I repeat it for his benefit, that the impression I got at the meeting in London was that there was a flexibility in deferment. That is the impression I got and that is what the memorandum was asking for. I equally got the impression that the policy of closure was irreversible, yes, that the intention was to close, and I also got the impression, very firm impression as well, that the British Government recognised the

problems of Gibraltar and that they had to get in an alternative to the Dockyard and that had to be agreed. The reason why I say we have to wait is because until people have tendered and shown their interest and we know what they are going to do, until there has been this further report about supplementary economic activity and until all that has been studied and we have been told there is an economic answer, there an economic alternative, until we know that there is very little we can do. That is what I believe, that there is very little we can do. And I don't believe that the British Government is going to close the Dockyard as the Honourable Member seems to tell everybody come March, 1983, everybody receives redundancy notices and 25% of the working population becomes unemployed. I don't believe they are going to do that. I don't believe that is going to happen. But tell people that is what is going to happen and of course they are prepared to fight, of course they are prepared to shout and scream if you tell them that. I don't believe that is what is going to happen. I don't believe the British Government is going to tell the people of Gibraltar, having said in a White Paper: "We will consider alternative ways of discharging our obligations to the people of Gibraltar" that they are just going to make a decision and close the Dockyard. I believe the Dockyard can be kept open and I believe they will keep it open for 1983 and even 1984 if that is the only answer as a result of the tenders, as a result of studies and so forth. What I do not believe they will do because the British Government hasn't done it in its own country to its own people and I know that it is a matter of argument, between the left and the right and between the unions and the Government, but it hasn't done it to its own people; I do not believe the British Government is going to say to Gibraltar: "We will keep the Dockyard open under any circumstances and you carry on exactly as you are", I don't believe they are going to do that.

HON J BOSSANO:

Mr Speaker, if the Honourable Member will give way. He seems to know what the British Government does but he doesn't seem to know what is happening in Gibraltar. Does he know that the Trade Union Movement, I said so, it has been quoted publicly, he has been given minutes of the meeting, does he know that what I have turned down is not that the Dockyard should be kept for evermore, for a year and a day as it is today, but that, in fact, the offer of the Trade Union Movement to reduce the cost to the British Government, that that has been turned down. Does he think that is reasonable?

HON P J ISOLA:

Mr Speaker, as I said before, the Honourable Member doesn't keep me informed of everything that goes on in his camp

except when we come to the House so we have no means of knowing the things that are going on. I read something in the paper and I read that the Honourable and Learned Chief Minister had asked for that particular point to be investigated and had asked the Gibraltar Trades Council that they should make a study and put it on to them and they would take it up. I have seen that in the newspapers, Mr Speaker.

HON J BOSSANO:

No, Mr Speaker.

HON P J ISOLA:

Yes, only in the newspaper.

HON J BOSSANO:

The meeting of representative bodies, Mr Speaker. Well, Mr Speaker, the Honourable Member is making incorrect statements of fact which need to be corrected on a point of order.

MR SPEAKER:

I get the distinct impression that we are labouring the point.

HON P J ISOLA:

Mr Speaker, it is a very important point because I do not wish to be misunderstood or misquoted by the Honourable Member and it should be absolutely clear in our view. Our view is perfectly clear. Our first reference and our first option is that the Dockyard should remain open if possible. Our second preference and one which we insist and we are prepared to fight for, is that if the Dockyard is to close there must be an alternative economic option and we must be satisfied it is an alternative economic option. If it is a satisfactory one we will accept it in the last resort. That is what we say. We know the problems, a lot of negotiations, lots of things have to be discussed. What we do not go along with is that the Dockyard is the only answer, it has got to stay open whether you like it or not, and if you don't like it you are jolly well going to have it, because we know that the decision of final closure or not in the Dockyard rests with the British Government and not with Gibraltar because they are paying for it and not us. To me that is logical but as you have said, Mr Speaker, I won't labour that point. In fact, I think I have given my Honourable Friend a lot more time than he possibly deserves. Mr Speaker, let's get to the Budget. I don't agree with the Honourable Member. I think the sort of attitude he has taken to this year's budget, he hasn't given us his usual economic analysis of the budget. He just talked to us about the Dockyard, he said it was most

important, and I agree entirely, but still, Mr Speaker, the business of Government has to carry on. The people of Gibraltar have to live, have to work, salaries have to be paid, and I think it is important to look at this year's budget and to look at the position of the Gibraltar Government and the sort of policy it should be following. We have set it out in our memorandum, Mr Speaker, but I would just like to observe that the economic situation of the economy as disclosed in page 5 of the estimates, is fairly reasonable. In fact, I think it is very reasonable, very good. The Government have got a bigger surplus as at 31st March, 1982, than they predicted they would have this time last year and they have got that notwithstanding the fact that they have had a lot of capital expenditure in connection with the opening of the frontier and notwithstanding that they have taken on a lot more staff than they thought would be necessary, admittedly, only for 2 months in the year but that still costs money, I think we voted it in the House, I have forgotten how much it was. More police, more customs and more labour and social security. Let me at this moment, Mr Speaker, just put right one possible misconception. We have complained in our statement and we have said that it would have been wiser to have taken the staff on temporarily rather than on to the permanent establishment. I have read what the Honourable and Learned Chief Minister said and I am not clear but I think what he says is that police and the whole lot have been taken on temporarily and I am glad for that reassurance but let me tell the House why it is that we thought that they had been taken on permanently because the establishment concerned seems to have been increased in the estimates and when temporary staff is taken we have always thought it would go down under supernumerary staff and it hasn't been done in the estimates. Customs, police and Labour and Social Security, according to the estimates that we were provided with, have shown an increase in the establishments.

HON CHIEF MINISTER:

If the Honourable Member will give way. This statement which had been prepared before coming to the House, could have been corrected after my statement that we were not taking staff on a permanent basis.

HON P J ISOLA:

Well, Mr Speaker, we could have been corrected, yes, but we didn't correct it and I am explaining why. We didn't correct it because that is not the impression we have from the estimates because if that is the case and I would ask the Financial Secretary to enlighten us on this, when he replies, I would have thought they would have been put down as supernumerary staff, which to us means, supernumerary means not on the establishment but temporary. But having put them in the

Establishment, then we have assumed and we would like to be assured that that is not the case, and that is the important thing, that they are temporary. But, Mr Speaker, despite all that, the Government has a healthier surplus than it predicted it would have last year and I would have thought that is a good situation financially for the Government, an estimated Consolidated Fund balance as at 31st March, 1982, of £10.6 million. As far as the coming year is concerned, the Honourable Financial and Development Secretary did say that there had been an overestimation in the revenues for next year under indirect taxation, customs, because of the postponement of the opening of the frontier, if it is the postponement, of £2m, but then I would ask him to say, because in his same speech he also said that import duties had fallen below what had been predicted mainly because traders had been holding back in importing, waiting to see which way the Government was going to jump once the frontier opened or watching whether the frontier was going to open or not, put it that way. Well, I would have thought that the stuff that hasn't been brought in has to be brought in because may I tell the Financial and Development Secretary from personal observation one sees in the shops of certain articles in which one would expect to have a cut, possibly, of duty, one is now fairly severely restricted in the sort of whiskey one can buy, the Government might be interested to hear. The traders are holding back, there is no question about it, but one day they'll have to pay and that day must surely come during the current financial year, Mr Speaker. They will have to supply us with whiskey, we want to drink the stuff, or gin. So I am not sure whether the reduction of £2m is necessarily realistic. The other point, Mr Speaker, I would like to put on the estimates of 1982/83 that came from the address of the Financial and Development Secretary, and that is that an item in the Public Works Department of £400,000, I forget what it was, in maintenance, had been moved from the Improvement and Development Fund into the Recurrent Fund, Public Works. Annually Recurrent. If one had not done that then they would have shown the Improvement and Development Fund in a worse condition at the end of the year but the situation is that as at 31st March, 1983, despite these things, despite providing for a salaries revision of £1.6m for the coming year and we don't quite know what the percentages are going to be if the results of the industrial tribunal in the United Kingdom are in fact put through as I believe they will because I believe the British Government has now accepted the findings of the industrial tribunal in England, then one could expect salary increases for the Government on the parity position during the coming year of around 5.7% on average. I don't know if that is £1.6 million or much less, I don't know what figure that is based on. In that connection, Mr Speaker, I would certainly be interested to hear, as a matter of interest, how it is that earnings rose by around 12% in Gibraltar when the pay awards were of the order of 8%. I notice the Honourable

Financial and Development Secretary talks of wage drifts in the form of increased allowances, bonus payments and higher overtime rates account for the additional improvement. I can understand overtime going up, but I wonder, the question of increased allowances and bonus payments, am I right in assuming that all that relates to the 8% increase or is it that there have been hidden increases, put it that way, as a result of negotiations and so forth?

HON A J CANEPA:

I think the Honourable Mr Bossano, perhaps, is in a better position to confirm that than I am, but I think what happens is that they are not necessarily revised every year and therefore if they are revised after a gap of 2 or 3 years, the increase may well be higher than the norm.

HON J BOSSANO:

If I may, Mr Speaker. The position is I think that we have got 2 types of allowances in the public sector. They are UK based allowances and those as the Honourable Member says do not go up every year and, generally, when they go up there is a catching up exercise. Although it may be an allowance of £1 that goes up to £2 effectively we are having 100% increase and it may go up every three or four years. The other allowances are locally based allowances which, generally, have been agreed because there is a difference in the work content of the job in Gibraltar as opposed to the analogue in UK and to compensate for certain duties being undertaken by an officer in Gibraltar which his counterpart doesn't have to do in UK, where perhaps because of the size of the particular department it doesn't justify employing more than grade in different jobs and a person takes an additional task, there is a local allowance and generally speaking the local allowances are pay related so if the wage goes up by 8%, the local allowance goes up by 8%.

HON P J ISOLA:

Thank you for that explanation, but I would be interested if the Financial and Development Secretary, when replying, would let us know in rough terms whether if the order of increases are around 6% following parity with the United Kingdom this year, whether we could expect wage drifts and all the other items he has mentioned to push that up and give us a figure so that we can have an idea of the expected increases for next year in connection with any revenue measures that the Government may be contemplating and putting forward to this House because, Mr Speaker, we have said in our policy statement that we do not consider it necessary for further taxation measures this year because the Government has a comfortable

surplus and they can worry about it next year and not this year. Do not think we are just saying we musn't have further measures this year merely because of that, Mr Speaker, but because we think this is a crucial year in Gibraltar, we think there is a need to be resourceful, if I may put it that way, during the coming year, there is a need to keep options open, this is the way we look at it. Mr Speaker, we are also conscious of the fact that the next budget is the last budget before the elections, this is the last but one, and please don't make us pay now so that you can give it back to us next year. That of course, is not what we would do because it has been the practice of the present Government, though in 1980 of course they didn't expect the elections to come then and they would have had a lovely surplus in 1980 to have given away. In the event it didn't matter that much as Honourable Members have reminded us on the other side of the House, Mr Speaker, we are concerned, and I repeat what the Honourable Member has said he supposed I would say and I am going to say it, we are concerned with the differential between the private sector and the public sector running at 16% on weekly paid workers and running at 30% in monthly paid salaried employees. I don't know whether you can do anything about this, Mr Speaker, or anything can be done about this. I recognise that 1981 was a very bad year for the private sector and possibly this sort of differential may not occur this year and next year but it must be worrying to the Government, surely, to see this increasing discrepancy between the private sector and the public sector because we are creating two nations within Gibraltar. It is all very well for the Honourable Minister for Municipal Services when he made his contribution to talk of the fact that the Government believe very, very strongly in good industrial relations in the generating station. It is all very well for him to say that, but then he doesn't tell us the price that the consumers are paying and it may well be that faced with very high prices, the consumers might disagree with the Government. I am not saying that they would or they wouldn't, but the consumers might disagree that good industrial relations at any price may not be a good thing. Obviously, it is a desirable objective but what happens as a result, Mr Speaker, that with the discrepancy of 30% between the public and private sector and 18% in average weekly earnings, we are running the risk in this building of two nations that a lot of people in the private sector are not only getting 18% less, but are also having to pay a lot more than perhaps they would have to pay given different situations and this is, I think, a point that has to be made seriously.

HON A J CANEPA:

If the Honourable Member will give way. I thought that last year between Mr Bossano and I, we made a fairly detailed and gallant attempt, I think to explain the underlying reasons for

this differential. Either the Honourable Member has forgotten or we didn't explain sufficiently well. Where you have in the public sector, particularly with non-industrials, people who are paid not only what is a good basic salary but also allowances, regular overtime, rent allowances as are the police, customs and prison officers, where you have people also as you do in the hospital who even whilst working a 40-hour week are paid overtime premiums if part of that 40-hour week is worked on a Saturday, Sunday, or on a public holiday, you are bound to have their earnings increased appreciably. You do not have an equivalent situation in the private sector. The private sector does not have in any instance to be kept on a 24-hour basis 7 days a week but many areas of the public sector have and I won't say it is the main reason but it is a very substantial reason why you have quite a few hundred employees of the Gibraltar Government with very, very high earnings and even when you average the whole thing out, nevertheless, the increase in earnings is what it is and that is the reason why you have about a 30% differential. You also have in the public sector quite a large number of professional people who are pretty highly paid, you have senior officers, many more of them than in the private sector, though I can tell you that some bank managers in Gibraltar earn more than the Financial Secretary, but there is only three or four of those and you also have a female labour force in the Gibraltar Government, notably nurses and school teachers, who are highly paid, and when the whole thing is computed I think that that is why you arrive at the figures that you do get.

HON P J ISOLA:

Well, Mr Speaker, I thank the Honourable Member. I do remember his explanation last year but, of course, I am not convinced that everybody in the public sector is having overtime or work on bank holidays. This must be applicable to some and there must be some, although I can see much less in the private sector, who work overtime but, of course, the Honourable Member has mainly addressed himself to the average weekly paid worker or, rather, the industrial but of course in the salary-paid he has mentioned bank managers

HON A J CANEPA:

No, no, I said non-industrials. In the case of the industrials what happens is that again there are people who are working regular overtime on shifts. The earnings of some industrials in the generating station amount to the small sum of £11,000 per year, industrials earning that kind of money, and you have other people on shifts, in the distillers, in the refuse destructor, and again, the number of them is sufficient to put up the average earnings.

HON M K FEATHERSTONE:

If I can go a little further, the PTO III's and IV's in the Public Works, as I think in all other departments, are geared to a 38-hour week and they are in charge of men working 40 hours a week so that necessitates 2 hours of overtime constantly.

HON P J ISOLA:

Well, Mr Speaker, we worked out averages in the departments but as I was talking about the generating station, let me say that it is odd, and I hope we get some sort of reply, as to why it is that in the generating station the level of subsidy has to go up again as compared to the other undertakings. We are concerned about the generating station, and let not the Minister for Municipal Services think that our refusal to participate in the Committee of Enquiry on the Generating Station shows unconcern about it. We have given our reasons and I am surprised that the Honourable Member, of all people, should say that it was lamentable that the DPBG should have refused to assist the inquiry. He knows full well how this party feels on his performance in power. He knows full well the views that we have of his competence in that position. He has been responsible, maybe he wasn't, but as far as we can see he is the Minister responsible for bringing Gibraltar almost to a standstill where power is concerned. He didn't assist the Committee of Inquiry and we are not participating for the reasons given by my Honourable Friend when he made his opening statement on behalf of our party. Again, when we come to the Minister for Municipal Services talking about his department, when we come to local call metering, that we are opposing, Mr Speaker, it is because we don't think that people should be made to pay for the inefficiencies of a department and we feel that with these Undertakings, not necessarily water, not that one, but the Electricity Undertaking and the Telephone Undertaking, the public is not kept informed about what is going on and there are all sorts of deals being done all the time and all costing money to the consumer and the consumer is made to pay the bill. I am not sure whether the consumer is paying the bill for the political popularity of the Government or for the popularity of my Honourable Friend Mr Bossano but the consumer is paying and we are concerned about that situation. Our bills, Mr Speaker, for electricity and water in Gibraltar are incredible, the amounts people are having to pay, and still the undertaking needs subsidising. I think the Honourable Minister for Municipal Services instead of seeking to get more money out of the public, should get these undertakings running on an efficient basis and the Telephone Department we know is going to collect a lot of money from International Direct Dialing and we don't think the people should be taken away one of the few little privileges they have in Gibraltar of having local calls free. We

will oppose it because my Honourable Friend said in his statement, despite all the statements that the Honourable Minister said about repairing of cable lines and so forth, every time it rains in Gibraltar a whole set of telephones go out of order. Thank God it doesn't rain every day in Gibraltar otherwise there wouldn't be a single telephone working. These are the situations that have to be put right. Gibraltar has to adjust itself to the 1980's. As the Chief Minister said, 65% of the expenditure is salaries and that is a tremendous amount of money. No one objects to paying that money in Gibraltar, no one objects to paying taxes so the Government can provide decent conditions of service for its employees and its staff, but I think the public are entitled, as a result, to have efficient services and that is what we don't feel we have, Mr Speaker, in the funded services and that is why we will oppose local calls metering and any charges for the same. We hope, Mr Speaker that the increase in water of 7p for 100 litres that was imposed for 3 months, that the Government hasn't got ideas about keeping that on. We hope they haven't and we will oppose it if they have. Mr Speaker, the Government also got very hot and bothered, both the Minister for Economic Development and the Minister for Public Works, got very hot and bothered about the Land Board and Major Dellipiani also said it was offensive for us to say that politicians shouldn't be on the Land Board. Well, we are sorry if we give offence, no offence is intended, I can assure the Honourable Member, but we do not agree with the principle that in Gibraltar, the small place that it is, politicians should decide who succeeds in a tender, especially, Mr Speaker, if a policy is being followed that not necessarily the highest bid gets the tender. It is conceivable in people's minds all sorts of reasons why a tender shouldn't be granted, but I can assure the Honourable Members opposite that the day they refuse the highest tender and give it to somebody who could be a member of their party, because they have majority support, then there will be a lot of discontent in Gibraltar, I can assure them.

HON CHIEF MINISTER:

What about if they give it to a member of your party?

HON P J ISOLA:

Sorry?

HON CHIEF MINISTER:

What if they give it to a member of your party?

HON P J ISOLA:

Well, we don't know, I am just saying what happens when it happens. I am just saying of the problems that occur.

HON A J CANEPA:

I am not aware that in the tender documents people are asked to put down what party they belong to.

HON P J ISOLA:

I would be less than simple, Mr Speaker, if I really thought that the Honourable Members opposite didn't know the faces of their supporters, or a great many of them. I am not that simple, Mr Speaker, and that is the trouble. That is the trouble. That if somebody gets it they'll say: "Of course, we know, because of that". This is going to happen and I don't think that is good for Gibraltar. I am quite sure the Honourable Member will try and be as straight as he can be on the matter and I am sure he will not be influenced by the fact that it may be his closest friend who has applied for something, he may be unlucky. I appreciate all that but, Mr Speaker, as long as there are part-time Ministers, as long as Ministers have other interests, then I think we must recognise the dangers of that situation. I am not saying that we should do away with it because I don't think it is practical in Gibraltar, but we must recognise that and we must, as far as possible, when people are making decisions as between different people, it should be as far as possible, senior civil servants. We are told there is a majority of senior civil servants on the Lands Board.

HON A J CANEPA:

If it will help the Honourable Member, I can tell him that the initiative that we have taken in setting up the Land Board has been, by and large, on the advice of very senior civil servants who themselves are on the Land Board?

HON P J ISOLA:

I appreciate that but I cannot accept, Mr Speaker, that Government being what it is today, not just in Gibraltar but everywhere else, where Ministers are involved, their influence in any Committee must be overpowering and overwhelming, and this is a fact of life. I know, before, if the Tender Board had a problem, it went to Council of Ministers. I think there is safety in numbers, if I may put it that way, as far as the public is concerned, then the Government as a whole considers it. That is our view, Mr Speaker, but let us not be told by ...

HON A J CANEPA:

I didn't get that. Would you repeat what you said about Council of Ministers, please?

HON P J ISOLA:

I am saying that it is safer from the point of view of the public because the public don't know about that, they think tenders are given by a Tender Board and that is it. But I do know that if the Tender Board have any problem on the matter, as far as I know it used to go to Council of Ministers or Gibraltar Council or whatever.

HON A J CANEPA:

That remains the position and I can inform the Honourable Member that over a rather ticklish issue facing the Land Board, I took the matter to Gibraltar Council. I know that I have to play safe, I know that I have to be careful and I know that matters are sometimes too big to be decided by a Land Board. For instance, I can tell him beforehand, the East Side reclamation scheme. That will go to Gibraltar Council. Of course it will go to Gibraltar Council. We are not going to have the biggest scheme ever in Gibraltar which could involve over £17m in reclamation alone decided by the Land Board, it will go to Gibraltar Council.

HON P J ISOLA:

Mr Speaker, I recognise that sort of decision would obviously require higher approval but it is different Mr Speaker, if the initial steps that we conjecture, and I think we just have to agree to differ on this, but we don't believe that is in the interest of good Government. Finally, Mr Speaker, let me just say something about the Honourable Mr Zammitt and the Victoria Stadium Board and his congratulations to his staff there on how clean everything is kept and so forth. He may be interested to hear that his department comes out number three in the whole of the Government departments in top earnings, top average earnings. It is headed by the Prison with the average earnings of £10,000 a year and second the House of Assembly, I cannot see why, but still, the House of Assembly with £9,400, and third Mr Speaker, is Recreation and Sport with average earnings of £9,317 a year.

HON H J ZAMMITT:

I can explain very simply. The Victoria Stadium is normally used during times when people are not working and therefore if we have to provide a service it is invariably on overtime rates or shift rates or shift allowances and on public holidays when earnings are substantially high. As I said we are open till 11 o'clock at night and Sundays.

HON P J ISOLA:

Mr Speaker, I appreciate that argument but I think with a department with that sort of average earnings, I think you

would expect a fairly high standard of service, would you not? I wonder whether the suggestions that we have made on this side are not sensible ones that there should be an independent Board provided with a Government subsidy to run the Victoria Stadium. We are not impressed with the arguments of the Minister and we know that he hasn't got the will or the power to put in charges despite what he says now and what he said before. To our mind it is tragic that you have the Victoria Stadium and that the Cricket Association representing Gibraltar should not be able to have a shower, should not be able to practice there when they need to. I don't know, Mr Speaker, I think there is a need for a hard look there and, finally, with the Post Office, what we are worried about is that there is not sufficient vigour at this end. I think that there should be a daily complaint when the plane comes with no mail bags to see what has happened because we believe it is not just the go-slow at Heathrow or at Gatwick, or Redhill, it is not just that. We believe that the airlines are not giving mail the priority they should. We believe that freight is being given priority over mail and that is something that we would like the Government to look at because, freight, you see, if you don't bring it quickly, you may lose it, whereas the Royal Mail is there and it can wait and we think it is important that people should get mail at least within 3 days. I opened a letter today that was posted 8 days ago, Mr Speaker, from England. It is incredible and I think that the Government should look at that very closely. Mr Speaker, one last word on the Minister of Public Works and all his congratulations to his department. I am very glad that the position has changed since 1979/80 and 1980/81 when he told us all sorts of things about his department. Let me tell him this, that £7m in a department is a lot of money and although in certain areas, at certain times, the Public Works Department has done magnificent jobs and we pay tribute to them, at other times there is still a lot of lack of productivity, if I may call it that for lack of a better word, not just down below but up above. Productivity comes in you have got it up above, it is management, good management that is required in a department that spends over £7m of our resources. And bearing in mind the sort of situation that could arise next year, I think the Government has to look closely at that department and keep a very close watch on it because of the spending that must give cause for concern to the people. Mr Speaker, we believe that the picture presented in the estimates in the recurrent expenditure is such that no further taxation measures are required or are justified. As far as the Improvement and Development Fund is concerned, we recognise that improvements in this area we will have to wait for for later in the year, but it is a pity that the Government didn't put its Development Programme in these estimates with token votes because then we would have been able to look at what the Government was thinking of and we would have been able to lend it its

support or criticise it or make constructive suggestions. We think it is a great tragedy that it hasn't been put in because that itself will slow matters up. Let the Government be brave, let them say: "These are our plans, this is what it is going to cost", and then we will think of ways in which that cost could be made but at the moment we don't know. We all know that they have got a programme 1981/86 which is likely to be 1983/88, I don't know, and that is all we know. We think that the Government should have put it in the Improvement and Development Fund and perhaps when we go into the estimates we will be told a little more about it. Thank you very much, Mr Speaker.

MR SPEAKER:

I have been told that the reason why the House of Assembly ranks second on earnings is basically that we do produce a Hansard which is done by what we call PBR, payment by results, and there are other people who have to be paid.

HON CHIEF MINISTER:

Mr Speaker, I notice that the Honourable Leader of the Opposition has taken double of the time of his speech to dealing with Mr Bossano's than he has in dealing with the estimates, and I find myself in a rather peculiar situation because they have been at loggerheads with each other and I agree with both. In many respects I agree with some of the things that have been said by Mr Bossano and in many respects I am totally in agreement, or rather the policy enunciated in general terms, I am not talking about the estimates I am talking about the areas of high policy which have been the subject of the debate between the last two speakers. I think the Honourable Mr Bossano has painted the worst possible scenario and I don't agree that that will happen but I think it is proper that we should be aware that there are great dangers ahead and, indeed, any remarks which must of course, necessarily be measured, at the opening my remarks are based on the fact that we had the uncertainty posed by the Defence Review and the planned reopening of the frontier together with the lack of adequate development aid it is important to consolidate the Government's position this year. These are the three main areas that have worried us and that continue to worry us and, in fact, in one form or another have been the subject of the debate between the Leaders of the two other parties in this House. In respect of the so-called conspiracy to throw us into the hands of the Spaniards, I totally disagree with the Honourable Mr Bossano and on that, of course, the Leader of the Opposition and I are ad idem and are working together on that basis. Let me ask Mr Bossano this question. Had he been asked 8 weeks ago whether if the Argentine was going to invade the Falkland Islands the British Government was going to put

up a Task Force to defend the rights of the self determination of the people of the Falkland Islands? He would have said: "No, they will be left ditched. After all, 1,800 people, what do they matter?" This is the tragedy of the British Government, that they react to the big things too late sometimes, but when they come to react, they react properly and this is the problem we've had with the question of Gibraltar at the beginning of the restrictions. If the British Government had made to the Spaniards known how strong they were going to be by supporting us at the beginning, the restrictions wouldn't have reached the stage that they have reached now. That is the position and that is perhaps the difference between the mandarins and the politicians. The politicians come in when the mandarins have made a mess of it because the politicians have got to live with the House of Commons and the House of Lords and the mandarins have only got to satisfy themselves with "Yes, Minister" from one department to another. When the crunch came nobody would have said that and all good luck to the people in the Falkland Islands, we have already prayed for them and wished them well. I think our case is even stronger, if anything, much stronger for the right of self determination, in numbers, in democratic institutions, in the place in the world in which we are and so on. This idea of a conspiracy, I think I said here, was mentioned by me to the then Foreign Secretary, Lord Carrington, on the 14 December and his answer was a very characteristic one. I said that it was being said in many quarters that the question of the opening of the frontier and the closing of the dockyard was some kind of an underlying conspiracy to throw us into the hands of the Spaniards. His answer was very characteristic and perfectly sincere in my estimation. He said: "I have not thought about that. I don't know whether anybody else has thought about that but any politicians who have the realities of the House of Commons and the House of Lords in mind cannot think about that". I do not believe, and I entirely agree with the Honourable Leader of the Opposition, if I believed that I wouldn't be in office and I have said so clearly many times. If I believed that this was all a conspiracy to throw us into the hands of the Spaniards, and I have more reasons to know that this is not the case than other Honourable Members then I would certainly not be here today defending the Budget or anything to do with the affairs of Gibraltar. In that respect I entirely disagree with the Honourable Mr Bossano. The Honourable Mr Bossano has been somewhat inconsistent in many respects in his remarks. He says that his view about the fatalistic aspect approach was shared not only by a lot of people in the Trade Union world but many people outside it. But then shortly after that he said people are very complacent, they think something is going to be solved. They can't be both. They can't be worrying and on the other hand complacent thinking that everything will be solved. That is one inconsistency in his normally logical arguments which he brings before this

House and we listen to with such interest. I agree entirely with the picture about Development Aid. I have said so in my statement. I couldn't hide my disappointment and the language that I use in this House and the language that I expressed my disappointment elsewhere must necessarily be different but the emphasis is obvious. Whilst I go to some extent with the Honourable Leader of the Opposition about this question of the package, we have never accepted the question of the package. Certainly, the Government hasn't accepted the question that had to wait until everything. That was why I asked to see the Foreign Secretary after the team came out from England because we were not satisfied with their attitude. They still have the same attitude, that it would all be looked up in the package because it all comes out of the same vote. On the other hand one has to take into account the reality of the situation in England, the strictness with which money is spent, the extent to which they have gone in unpopularity in cutting grants to local governments to the bone. Fortunately here even with a budget which has been very conscious of expenditure, we haven't cut any services in Gibraltar at all. We have certainly not had much time or money for frills but we haven't cut anything in Gibraltar. We have maintained the services at the highest standard in which they are kept. On Development Aid, I would like again to take up another inconsistency on the part of Mr Bossano when he said that we did get aid from Judith Hart, but we have not had any aid since then. We have had aid since then, we have had the £4m tranche even though it may be conditional. All gratitude for the great interest that Dame Judith Hart has taken in the problems of Gibraltar and all gratitude for her insistence on the Girl's Comprehensive despite the increased cost because without her we wouldn't have that school. But it was Mrs Judith Hart, when she was minister of the ODA who was entrusted by the then Foreign Secretary to arrange for alternative proposals for running the Dockyard which was going to be closed purely on Defence cuts and not on the Defence review, in 1976 and 1977.

HON J BOSSANO:

Mr Speaker, isn't that a point that the Minister made in favour and in support of the approach of the then Government because the present British Government has not made any proposals, it has left it up to the Gibraltar Government to do the work for them.

HON CHIEF MINISTER:

We have had this out, in fact, with her and Mr Silkin. That was that in anticipation of an announcement which later, for reasons that history will one day know, of a closed Dockyard for defence cuts, a study was ordered to see what could be put in its place before announcing it, I agree, but that didn't

go as far, it didn't go as far as the PEIDA Report which was ordered by the ODA as the study of the PEIDA Report. I have good authority to say that the study which was made arising out of the White Paper of June of last year, was much deeper and much more forthright than the tentative inquiries that were made in the 1976 proposals to close the Dockyard. I am not defending one or the other but all I say is that we have to look at the Government of the day. I make no distinction and I am not going to praise Mrs Thatcher or Sir Harold Wilson or James Callaghan. I think that over the years it has been proved and we have had this experience that we have to deal with the Government of the day and with the Members of Parliament of all parts of the House and get their support. It is no use either maligning anyone in particular because he happens to be of a different view of ours, or trying to highlight somebody because he happens to be of the same political thought. I think that when it comes to the question of Gibraltar the attitudes are the same in the main problem as it has been now on the question of the Falklands in the main problem except, perhaps, it has come a little too late and the tragedy could be a big one. But nobody here who is sceptical about the British Government's attitude to the people would have said 6 or 7 weeks ago that the British Government would have gone to the lengths that they have gone to defend 1,800 people in the Falkland Islands. That is the trust of which I have been so often criticised and that is that we have to take the British Government with us. Independence, supported and guaranteed by both Spain and Britain, I sign now on the dotted line. This is the proposal that was put by a certain member very, very close to the Spanish representative and he said: "You are mad because that is the last thing that the Spaniards would do, ensure our independence". In this way, perhaps, they might, they might get Gibraltar but that would be the end of all their aspirations to intergrate Gibraltar into the national entity. I think that the British Government cannot afford the wrath of Parliament to try and sell Gibraltar down the river. They may be mean, they may be unwise, they may do things that we do not like but in the main this conspiracy is certainly not, in my view, justified. On the other hand, I do not understand for one moment, and I accept and that is the part which though I think Mr Bossano has painted the worst scenario possible, I do not under estimate for one moment the very serious repercussions that there would be if there was this hiatus where the Dockyard was going to close one day and there was nothing else there until something came a few months later or a year, or nothing in its place. I agree that that would be a disaster but I do not think that we are going to get over that by threatening trade union action of such a nature that the base will not be able to run and that Gibraltar will be in chaos. That is where we would be committing hara kiri, that is where we would be committing suicide and anybody who leads troops in that way is finding himself in a very graye situation in which

he might live to lament it because we are not completely independent and we are not completely masters of our own fate and we either have to make it go with Britain or finish, and we must make it go with Britain. That must be the attitude that we must take in this question and we must compel them to make it with us as they have a duty to do. What did we go to England for on the Memorandum? Paragraph 18 was the particular paragraph which summarised the feelings of everybody. I quote: "More specifically we ask that the closure and the action preparatory thereto be deferred and that a continuing programme of naval work be provided until such time as Gibraltar has had a fair and reasonable chance to identify and in consultation with the British Government, establish viable economical alternatives. We cannot suggest the precise period of extension because we cannot know how much time is required to achieve these objectives. We must, however, make it clear that we are not seeking deferment for its own sake, or for an indefinite period. Indeed, we are advised that if and when it is established that a commercial ship repair yard would be feasible and viable, it would not be in Gibraltar's interest to delay a phased transition unduly". This was the paragraph, together with the rest of the Memorandum, to which all the representative bodies and all the political parties subscribed their signature.

HON J BOSSANO:

Mr Speaker, isn't the Honourable Member going to say that the answer to that has been known? Having read that we have asked for deferment, is he then not going to go on to say that we have had a no to that?

HON CHIEF MINISTER:

No, I don't think we have had a no. We have had a perhaps, we haven't had a no, we haven't had a yes, but we haven't had a no, that is the difficulty. That is why we have to wait and of course the waiting cannot be indefinite. The time limit is coming near, I agree, but the flexibility that was offered in the talks allows for that time that is required to see whether the thing is possible or not. Having had an opportunity of looking through this voluminous statement prepared by the Opposition which was read, irrespective of what had been said in my remarks about the temporary employment and so on, I would like to make just one or two remarks on it. When I heard the first 3 or 4 pages of it, I thought we were in for a very good thing. I thought the Honourable Mr Restano was departing from his old ways and was talking broadly and in big terms. But after the first three or four pages he came back to his own self and started individualising in detail. He started bringing up matters on which he had not had satisfactory replies in questions before, pin-pricking here and pin-pricking there and getting his figures all wrong. It would be unduly

burdensome to the House for me to deal with the whole of the statement but there are certain matters which, of course, cannot be allowed to remain unanswered. At page 7, the last sentence, it says: "Last year, during the Budget, we gave the view that the Government was underestimating its revenue from income tax and we were proved right. The approved estimates for income tax was £16.8m and the revised estimate has shown a figure of £17,840,000, and this represents an underestimation of 6.2%, or £1.4m. It would not be unreasonable to us to suppose that a similar underestimation is being carried out during next year and this would result if correct in a reasonable surplus of £1.04." The Financial and Development Secretary has explained the reason. £400,000 only, relate to PAYE and he has given the reason why we have had more income, because of company tax and more collection, but £400,000 in an estimate of £16,000,000 is a very small underestimation. And in any case this suggestion that we are being over-taxed. What if there are redundancies in the construction industry, the slow down of development activity and possible impact in the Dockyard? You could say that the progression or under-estimation of a £1m a year was a once and for all, but if that went on and on and on, you could only do that in a buoyant economy where the earnings became bigger and bigger and therefore the increases became at the standard rate under-estimation. It isn't so. There is no great underestimation in that. In fact it was more or less pretty near and much less than 6%, in fact the increase is about 2½% if you do not take into account the others which have been collected as a result of other factors. What about the other estimates? What about the drop in indirect taxation of £1.1m? What about the reduction of that? There was a big difficulty, the indirect revenue was down by £1.1m. It is very difficult because some of the factors that affect these matters are outside our control completely, matters that happen elsewhere and which we cannot control. At page 8, the first full paragraph of that page, at the end it says: "The Gibraltar Government despite some extraordinary expenditure during 1981/82 in connection with the opening of the frontier has taken on many more employees and has incurred reasonably heavy expenditure in capital works. Despite all this the Government expects a surplus as at 31st March 1982, of almost £1.7m, against the estimated surplus of £1.17m, this shows surely that the people of Gibraltar continue to be overtaxed". This surplus improvement is only £500,000, partly reflecting increased revenue from higher interest on investments. How can this small amount be the source to say the people are overtaxed? When the study was made as to the possibility of accepting full membership of the EEC, and there was a point in time when it had to be decided because of the negotiations, and it had to be done before Spain entered into the EEC, the first thought of some people, and here I come back to the theme, was that here was an attempt at the Foreign Office throwing us into the hands of

the Spaniards. But when a study was made of the economic effects of accepting the VAT, CAP, and CTT, one of the inhibiting factors in accepting the possibility of economic intergration of the EEC was precisely the VAT because the VAT would hit goods and services, and services is what Gibraltar renders more. Services would be taxed which are not taxed at this moment. It would damage tourism. It is advocated at page 10 of the Opposition statement. It would damage tourism, it would affect small traders, it would raise prices probably by 25% and the cost of administering it would be very high, indeed, and it is no use comparing it to PAYE, because in PAYE the work is not so much done by the Government as it is done by the particular employer. The VAT requirements of proper inspection and proper collection is very heavy indeed and it would cost double what it costs to collect the customs due that we have now, so we cannot possibly agree on this aspect of the paper. I think it would be disastrous for Gibraltar. The Minister for Education has already dealt with the points about the fact that education was to be the poor relation and referred already to the two schemes of the Girl's Comprehensive and the extension to the Boy's Comprehensive. At the bottom of page 13 of the statement, it says: "On the funded services it is odd, to say the least, that the housing subsidy is to rise by £15,000 representing an increase of 1.1% that the subvention to the potable water fund is in fact reduced by no less than £179,800 representing a drop of 30.8% but that on the other hand the electricity undertaking requires an added subsidy of £81,600 representing 12.2%. It would appear therefore that the element of cost consciousness applied to housing and potable water services is not present where the electricity undertaking is concerned". The size of individual subsidies on the fund is not only determined by the increase in the expenditure from a year to year, but also by the increase in the funds income if charges are not raised, for example. Does this mean that the service or department is not cost conscious? Further down, in the next paragraph, it says: "It seems that instead of having a substantial reduction in expenditure on the electricity undertaking resulting from the acquisition at great capital of a new power station and extra plant which should result in extra output and reduced costs due to new equipment and the reduced use of old machinery, we are nevertheless faced with the fact that at the end of the day more money still has to be poured into the undertaking". Obviously, the writer of that paragraph must have forgotten that the capital cost of the new power station has to be repaid and is credited to the fund. A sudden drop in expenditure does not necessarily follow. There is a complaint at the end of page 18 and on top of page 19, that says we haven't got enough housing schemes ready. There are plenty of housing schemes ready as the Honourable Minister for Economic Development elaborated in his statement. What we haven't got is the money with which to do it. It is no use the Honourable Mr Haynes saying that all that a Minister requires is a cheque for

£7m and the houses come up by wonder. A scheme, and this goes back to the ODA problem again, the development aid submission with all the details of the work was prepared by February of last year and this is the most inhibiting factor that we have in this respect. At page 20 of the statement, it speaks about Lands and Surveys and Public Works. It says: "We are of the view that there is a need to re-organise and restructure the departments of Housing, Land and Survey and Public Works into one large department. Only in this way do we believe that all the technical skills available in these departments can be streamlined into one single efficient department", and then it talks about a senior Minister and a junior Minister. This seems to be rather surprising when in fact, on the other hand, even the Leader of the Opposition in his winding up statement made reference to the fact that the Public Works Department was too large a department and he wants to make it bigger. In any case, there is very little scope for technical savings in this because the Housing Department has not got any technical staff at all. Then there is a reference at page 23, half-way through the first paragraph, which reads: "There is more staffing this year, but the Government will spend only one third less than last year on development. What is the reason for all this, does the Government think that it can continue to increase staff without correspondingly increasing output?" First of all, the amount spent does not necessarily reflect the volume of work and a lot of last year's expenditure went on power and the Girl's Comprehensive School and as the Honourable Minister for Public Works has said, it carries the staff of 6 technical students who are on this vote who will be coming to take up jobs of expatriate officers which one has to house and are in any case, more expensive and it is much better to have people who are committed to Gibraltar in their own interest and who look forward to coming and making a contribution in their home town. Coming to this question of the local telephone calls. Apparently, one of the aspects of the way of life in Gibraltar is to carry on talking on the telephone for hours without paying for it. Well, I think that it does not need very much to realise that the expenditure of the telephone is commensurate with the use that is made of it and it is interesting to note in the latest consultancy on comments for the charges to be made in respect of the telephone which states: "That the current total annual calling rate per subscriber in Gibraltar is approximately three times the local call rate in the United Kingdom. This means that more equipment is required in the exchanges in Gibraltar in order to cope with the high calling rates. The only way to be able to meet the huge investment of the 5,000 lines unit and the IDD facilities would be to increase rental charges to an appropriate level". If we increase local charges to an appropriate level and do not charge for local calls, then it will be most inequitable because the people with lower incomes who have telephones for emergencies will pay the same as those who spend all the time which they have to spare on the telephone speaking to other

people. The most equitable way in which this can be done, and there can be many formulas of it, it doesn't mean that they have to pay for all the calls, there can be a number of free calls, and the other danger, of course, is that unless you get a very sophisticated equipment to decide between one and the other, the free calls could be at the expense of foreign exchange because it could be used if they are just units on a meter, foreign calls for which we would have to pay. Finally, Mr Speaker, I would like to mention the question raised about the Broadcasting Corporation on page 26. Any complaints about the question of advertising in Spanish by GBC should be addressed to GBC which is an independent body appointed under an Ordinance, which still has members who were appointed during the brief period in which the Honourable Mr Peliza was Chief Minister, who carry out a considerably important and independent work and whose judgement one must trust. But, anyhow, though I do not feel as jingoistic and thinking that the way of life of Gibraltar is going to be affected by having the occasional advertisement in Spanish telling the people of Gibraltar where they can buy their villas. I see there are even members of the Honourable the Leader of the Opposition's party in that kind of trade in the vicinity and selling sites all over the place, I don't think that we are going to lose much in having the occasional villas being advertised for Gibraltarians as to where they can buy the cheapest villa when the frontier opens. Anyhow, that is a matter of opinion, but the criteria is used by the GBC, and that they are the people who are responsible and to them I would refer them. And if they say they are not responsible, that they do what the Government tells them or whatever it is, which is not true, of course, then I would tell them what do they expect to have a Board to run the Victoria Stadium with? Another GBC, when they would then make the complaints? At least here the poor Minister can answer questions. If he had a Board for which he wasn't responsible they would find themselves in the same position as I think we ought to in respect of GBC because the independence of the Broadcasting Corporation must be maintained at all times and those who want to interfere with it, those who do not like the fact that they are doing a good service, are those who would like to put their hands on it in order to use them for their better advantage.

HON P J ISOLA:

Does the Government have no view on advertising in Spanish? Does the Government not agree to the proposition in our statement that one of the big justifications for the Gibraltar Broadcasting Corporation is its function in relation to the British Gibraltar identity of the people and that is why large sums of taxpayers' money goes to having a television station available to the people of Gibraltar alternate to the Spaniards. Does he not agree that that demands certain responsibilities back from the Corporation themselves?

HON CHIEF MINISTER:

I have made it a point all along since the restrictions that both radio and television were the first line of defence, particularly when the whole media of Spain was devoted - it is now devoted to the defending the Malvinas or the Argentinians - but it was then devoted to undermine the identity of the people of Gibraltar, and that is why we have encouraged always and spend money on radio and GBC. No, the Government hasn't got a collective view, but I have a view. I think that my identity as a Gibraltarian and the identity of anybody as a Gibraltarian is not affected by seeing the odd spot about selling villas in Spain and in any case it is an egg and chicken situation because you say that it costs money because it is subsidised to put it, but they are getting money in order to be less subsidised by advertising and if they get more advertising there will be less subsidy and more not only independence which they have, but less dependence on Government funds and better to administer the money that they get from advertising. That is the view. But the view I have, and I make no apologies about it, is that my Britishness is no more affected by seeing somebody offering me a villa in Spain than by relishing seeing the "Peninsulares" in Spanish in Gibraltar Television at any festival and people delighted with it and singing with them that much more than if they were singing in English. The bilingual status of the people of Gibraltar is something we should not be ashamed of. We should be proud of it because we are in a position to meet changes in the world and the young people of Gibraltar are in a better position. I am reminded about the rush to get the tickets to see Paco de Lucia in the Cave, and yet the people are as British as ever and in fact they finished up by singing "Que Viva Gibraltar".

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, there are a number of points of clarification that I would like to make, if I might take those raised by the Honourable and Learned Leader of the Opposition first of all.

HON CHIEF MINISTER:

I am sorry, there was one point that I had asked the Financial Secretary particularly to deal with in connection with GBC which he is going to do and that is the so-called surplus of \$450,000. It is too complicated for me to deal with, and I have asked him to deal with it for me.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Pay Awards, Sir. If the Pay Award does come out at an average of 6 or 6½%, what is the drift likely to be. Normally, one takes drifts to be about 2½% to 3% and one would expect the end figure to be somewhere around 9%. The £1.6m is based

on a 10% pay award so immediately you will say: "Aha, we shall get a lot of money left over". Well, we won't, because when we do the income tax we take into account the pay awards and we translate that also into the public sector so that if the pay award is lower, the amounts in income tax should be lower too. On import duties; we have taken into account the fact that imports were low and that there is likely to be a bit of a boost in the Honourable Member's whiskey and my gin because of shortages in shops but the import duties were running well below the projected figure throughout the whole of the year and on best estimate we consider that in a continuing closed border situation the figure which we have got in of \$6.5m is about right. Consolidated Fund; this, of course, is a perennial since I came here, anyway, between myself and the Learned Member. I do not think that we can be complacent about it, we are pleased to have it. I prefer to say that it is by no means excessive, given the calls likely to be made on it during the financial year, and I am reminded that in real terms the projected figure in 1983 is no more than that on the 31st March, 1981. I don't really think that we can blame the healthy balance in the Consolidated Fund for lack of Development Aid from the United Kingdom. What they look at there, in deciding on whether or not you get Development Aid is your per capita national income and ours in Gibraltar, thankfully, is very high compared with competing demands in the rest of the territories and given, effectively, a 25% cut in Development Aid over the years, we would not have been well placed even had it not been for the fact of the likelihood of the Dockyard closure delaying things for very much in the terms of Development Aid. There were one or two more points, I am working backwards. The Gallant and Honourable Major Peliza asked a good question, if I may say so, as to why the first PEIDA Report on the Dockyard had not been published. Well, the answer to that is very simple. It contained a lot of information about the projected market in detail. The work that had to be done with estimated costs, and details of what subventions were likely to be required in forms of naval work and funding over a 5-year period. In going out to potential operators and asking them to put in their proposals, we wanted them to do their own homework on what the market was, on what the naval programme required would be, on what money they would want to spend and on what projects within the Dockyard to bring it up to a commercial dockyard status. Therefore, we were reluctant to release information which in those circumstances was "commercial in confidence" which is in the PEIDA Report. In fact, Mr McQuarrie did ask a question in the House of Commons that a copy of the PEIDA Report should be placed in the Library of the House of Commons and when he was here a short time ago, I explained to him why we had not been able to accede to that request and he immediately took our point. I hope the Honourable Member will, too.

HON MAJOR R J PELIEA:

Is it the intention to publish it as soon as the bids come in from the six or seven companies that I understand are interested now that that will have been achieved?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

We will have to look at that, Mr Speaker, in the light of what is contained in the proposals and the negotiations because there will be negotiations on-going for some time and one doesn't want to disclose one's own negotiating position by giving away information.

HON J BOSSANO:

If that is the only reason, can he explain why it is not available to Members of the House?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think that many Members of the House who are on the Governor's Economic Committee received copies. It was made available to all parties in the House, I think.

HON J BOSSANO:

It is only available, as I understand it, on a personal basis, to the people who are still in the committee because after resigning from the Committee I asked for a copy to be made available to me by the Government and I was told that I could not have one. I am not bidding for the Dockyard, in fact.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I thought the Honourable Member was. The Honourable Mr Scott raised the question of the ODA £4m and the slow spending. Sir, about 50 years ago, when I was a schoolboy, my mathematics master told me that a moderately athletic snail in poor training would make rings round me. Well, if that moderately athletic snail is still knocking about it would make rings around the ODA when it comes to looking at our project proposals that we put in. We put them in, as the Minister responsible for Economic Development and Trade said, in January, eventually they send out an engineer to look at our proposals and later they say: "We are sending out a senior economist who is also going to look at your proposals". Then they have to go to a Projects Committee which will take several weeks if not some months to look at them and the figures that we have put into the estimates are what we think are realistic estimates of what we should be able to spend this year. On the Post Office

and its trading activities; it would be possible to work out what the allied services provided by that Department were and we would need to show them under each Department's Head but at the same time we would have to do it for all other departmental works which were carried out for each department and this, really, would be a very heavy task, one that was done in the United Kingdom at one time but which I believe is now being dropped, not for the Post Office, of course, because that is no longer a Government Department, but it was done for all departments in the United Kingdom, HMSO, Royal Mint, and whatever department did work for another department they costed it and showed it as an allied service. It is a very long, tedious, expensive business and I am not sure where it gets you to at the end but we will look at it. Finally, Sir, the Honourable Mr Restano, in his budget speech made a reference to the surplus on the accounts and I can sympathise with the problem that he found himself in because when he raised the question I got hold of the accounts myself, looked at the figures and saw that there was this amount in the Income and Expenditure Account of some £460,000. And it was only when going to the report on the Audit Certificate, and reading it very carefully, that one notes, and it is also in 1980 that one has to go back to, not 1981, that from 1980 new equipment for the introduction of colour television purchased by the Government on behalf of GBC was brought into the accounts and if that is discounted, the surplus in 1980 was £57,647 and the surplus in 1981 was £18,978.

HON G T RESTANO:

Would the Honourable Member not agree that it might be better that instead of putting it down as an accumulated surplus, if it is for machinery and so on, that it should go down as assets?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Honourable Member has a good point, Mr Speaker, and it is one which we can draw to the attention of GBC, and also, of course the Principal Auditor will have an interest in that, too. I think Sir that those are the main points that rose during the speeches. The Chief Minister has dealt with the rest of them. The only point that I would emphasise is that on Income Tax, on Import Duties, there is no question that the Treasury in preparing the estimates, hoars the figures down. We try, looking through a glass, darkly, to see what the figures will be. They are checked by the department, by the Economic Advisor's Section, by my own office and we do try and come out with a figure. We don't get it right always, sometimes we get it badly wrong, it may be up, it may be down, but it is an honest estimate. 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.

The House recessed at 7.35 pm. to Tuesday the 4th May.

TUESDAY THE 4TH MAY, 1982

The House resumed at 10.40 am.

COMMITTEE STAGE

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I beg to move that the House should resolve itself into Committee to consider the Appropriation (1982/83) Bill, 1982, clause by clause.

This was agreed to and the House went into Committee.

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

Schedule

Head 1, Audit - Personal Emoluments

HON G T RESTANO:

Mr Chairman, can the Government confirm whether there is any truth that it has been recommended to reduce the Principal Auditor's salary scale?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, there has been a staff inspection of senior posts within the Government. A report has been received by Government, it is being considered by the Staff Associations concerned and also by the officers affected. Representations have been made to the Government which are being considered.

HON G T RESTANO:

Will the Hon Member in making his consideration take note that we on this side of the House are very much against any reduction in that particular post?

HON J BOSSANO:

Mr Chairman, will the Hon Member also bear in mind that the departure from recommendations of staff inspections, if it is accepted as a matter of principle, cannot be limited to the case of the Principal Auditor and must apply to other officers in the service?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Chairman, the point is taken.

Personal Emoluments was agreed to.

Other Charges was agreed to.

Head 2. Customs - Personal Emoluments

HON P J ISOLA:

Mr Chairman, I think this is the appropriate time for me to ask and then I shall forever keep silent, that in fact the additional officers taken here have definitely been taken as temporary officers, and that the fact that the establishment appears to have been increased is not relevant to the position?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I can confirm that the additional officers have been taken on as temporary. The reason why the establishment has been increased is that full provision for the year has been made in the Personal Emoluments and therefore it would be misleading if one only showed the establishment as at the previous figure. The Hon and Learned Leader of the Opposition mentioned during the Second Reading debate that, possibly, it would have been better to show the additional staff as supernumeraries. The supernumerary device is normally only used where posts are made for a limited period of time and then will certainly disappear or to take account of an officer who is in a special position until he retires. Insofar as the Customs Officers are concerned, if the border opens additional Customs Officers will be required, exactly how many we do not know. That is why we did not use the supernumerary device.

Personal Emoluments was agreed to.

Other Charges

HON G T RESTANO:

Under Sub-head 2, Mr Chairman, what are the charges for telephones in this department?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If you can bear with me a second. The Public Utility Costs, telephone rentals, £600 per quarter, telephone trunk calls, £250 per quarter.

Other Charges was agreed to.

Special Expenditure was agreed to.

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Head 3. Education - Personal Emoluments

HON J BOSSANO:

Could I ask the Government about the removal of the officer in charge of nursery school which appeared in the establishment in 1981/82 and does not appear for 1982/83?

HON MAJOR F J DELLIPIANI:

Sir, the Government position in this is in line with UK practice whereby nurseries are attached to primary schools and a teacher, in fact, a qualified teacher under the Burnham scale, is put in charge of a nursery and therefore the nursery officer in charge does no longer exist. You will notice that where we had one nursery officer before, we now have 2 nursery officers.

HON J BOSSANO:

Yes, Mr Chairman, but the nursery officer is not a qualified teacher.

HON MAJOR F J DELLIPIANI:

A nursery officer is qualified under the National Nursery Education Board.

HON J BOSSANO:

I am aware of that but the Hon Member has said that where before there was an officer in charge there is now a qualified teacher and therefore that, in fact, is not represented by the increase in the nursery officer. Where is the increase in the qualified teachers, Mr Chairman, since the number of teachers is 267 this year and was 267 last year?

HON MAJOR F J DELLIPIANI:

It is still there.

HON J BOSSANO:

I am glad to hear it is still there but can he explain how it is still there if it does not appear to be there, Mr Chairman?

HON MAJOR F J DELLIPIANI:

Because the teachers have been deployed.

346.

HON J BOSSANO:

So, in fact, there has not been an increase in the teaching establishment by virtue of the creation of a post of teacher in the nursery school, is that correct?

HON MAJOR F J DELLIPIANI:

No.

HON J BOSSANO:

Mr Chairman, in fact, there is somebody acting as officer in charge at present, is this not the case?

HON MAJOR F J DELLIPIANI:

I am not aware of it.

HON J BOSSANO:

Is it not the case, Mr Chairman, that the proposed change is due to take place in September?

HON MAJOR F J DELLIPIANI:

I think the changes have already been made.

HON J BOSSANO:

Will the Minister agree that if in fact they have not then there should be provision in the estimates for continuing to pay the person who is acting in the post?

HON MAJOR F J DELLIPIANI:

I will investigate that.

HON J BOSSANO:

Would the Minister confirm, in fact, that what he has described as following UK policy involves a fundamental difference in the approach to nursery education from that which has been followed up to now which is basically to have day care nurseries where the main purpose has been to look after young children of working mothers and whose mothers are required to produce proof that they are at work whereas what he is saying is the new policy adopted by the Government which is in fact nursery education under the responsibility of qualified teachers and a completely different context? Will he confirm that this is the case?

HON MAJOR F J DELLIPIANI:

No, Mr Chairman, it is not a fundamental change in that respect in that we are introducing nursery education for all children of nursery age. We still have the nurseries, first of all, on the principle that some of the working mothers are teachers themselves and we do not want to lose their services, some of them are civil servants and we do not want to lose their services. We are trying to make use of the time the children spend in the nursery by working in close cooperation with the primary school nearest to it so that there is some continuity in the facilities and education given in the nursery with the school in the area. There has not been a fundamental change in educational thinking. My own view is that there should be but it is quite a costly thing, and in the situation that we are in I do not think we can contemplate it.

HON J BOSSANO:

Mr Chairman, doesn't the Minister appreciate that there is a fundamental difference between a day care nursery and a nursery school and that in fact what he is telling us is going to happen as from this year is that we are replacing our day care nurseries by nursery schools where young children of 3 years of age are going to be receiving education to prepare them for entry into the primary school? Would he not agree that if we are going to be doing this from this year, it seems that the children of working mothers are going to get an educational advantage over the children of non-working mothers which could not be argued before because before we were simply providing care to release married women to enter into the employment field which is a completely different concept?

HON MAJOR F J DELLIPIANI:

There is some truth in that but the nursery care that was received before was slightly more than the daytime care that most nurseries used to have. What we are doing is taking advantage of the situation that there are primary schools beside them.

MR SPEAKER:

We must not get involved now in the merits of one system or the other because that is not what we are supposed to be doing now.

HON J BOSSANO:

Mr Chairman, with due respect, the merits of one system or the other have got serious expenditure implications.

MR SPEAKER:

I accept that. One can say whether one is preferable to the other and let us not go into the merits.

HON J BOSSANO:

Mr Chairman, if you will allow me to explain. It is not a question of what is preferable. I have my own ideas of what is preferable but it seems to me that what we are discussing here, and I think that had I not drawn attention to it perhaps the House would have simply approved this estimate without realising its implications, as I see them, anyway, and as I see it the implications are that one cannot limit the right to access to a nursery school by virtue of the fact that the parent of the child is working or not working in the way we have been limiting up till now the access to a day care nursery because the specific purpose of a day care nursery was not an educational purpose it was in fact linked to employment policy and the purpose of it was to release married women for employment. If we are providing education, then I would say to the Minister on what grounds is he going to say to somebody that their child should have lesser educational opportunities than somebody else because they are not working?

MR SPEAKER:

Does the Minister wish to reply?

HON MAJOR F J DELLIPIANI:

I have already made my statement.

Personal Emoluments was agreed to.

Other Charges

HON G T RESTANO:

May I have the telephone expenses of this department?

MR SPEAKER:

Whilst we are getting the answer, could we have any further questions on other charges?

HON W T SCOTT:

Yes, Mr Chairman. Services, Sub-head 3. Are these public utilities in their entirety or are there some other charges?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If I may answer the point on the electricity. There is a figure for electricity and water. Provision is made on the basis of current expenditure. The cost of current consumption amounts to £32,000.

MR SPEAKER:

And the question of the telephone expenditure?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Telephones, Sir, this is £8,000. Provision made to current use, trunk calls, and an extension to St Martin's telephone, St Bernard's, and Varyl Begg nurseries.

HON G T RESTANO:

Was that the total bill?

HON W T SCOTT:

We seem to have come up with a total of £40,000 on public utilities out of the £70,900. What other expenses are there other than the public utilities, what other items would there be?

HON MAJOR F J DELLIPIANI:

Rent of school buildings, maintenance and running expenses of motor vehicles, electricity and water, telephone services, transport of children, fire alarms for schools.

HON W T SCOTT:

There seems to be a departure, in fact, from other heads within the estimates, to bracket all of these services together where in other heads we see them sub-divided in their own right. Is there any reason why they have been brought together under this sub-head?

HON MAJOR F J DELLIPIANI:

No reason at all.

HON A T LODDO:

Mr Chairman, I notice a very substantial reduction in the initial teacher training. Could the Minister explain what is the cause of that?

HON MAJOR F J DELLIPIANI:

Yes, Mr Chairman. We used to have a special scheme for teacher training which did not come under the Scholarship Awards. This was in the old days where we needed teachers desperately in Gibraltar. What has happened now is that we are reaching the time, and we have reached it, in fact, where we no longer have to cover so many teacher posts which are vacant. What you see now as initial teacher training is some of the teachers who are still under the old system. In the new system, they come under the Scholarships Awards either as mandatory or non-mandatory scholarships and it does not necessarily mean that they will have jobs to come to. It just means that we did not want to take away the opportunity for young people who wanted to become teachers by doing away with completely with teacher training. What we have done is taken the old system exclusively of teacher training and brought it in within the whole of the Scholarship Awards system.

HON A T LODDO:

Mr Chairman, does this mean then that these students going on a teacher training course still have to sign a contract with the Government?

HON MAJOR F J DELLIPIANI:

The ones in the old system, yes, they have a contract.

MR SPEAKER:

I think what you are being asked is if under the new system whereby they go under the Scholarship Scheme, do they sign a contract to the effect that they have to come back?

HON MAJOR F J DELLIPIANI:

No, no contract.

HON J BOSSANO:

In fact, are any of the people who are studying in UK, who are specified in the Appendix, required to come back and work for 3 years for the Government any more, or not?

HON MAJOR F J DELLIPIANI:

It depends on what they are studying for. What we have attempted, certainly in my time, is to try and visualise what are our requirements and advise the students in which particular subjects they should concentrate because in the old days unfortunately everyone wanted to go on to Secondary teaching, very few on to Primary and a few on Middle so it is very hard to slot people in.

HON J BOSSANO:

Mr Chairman, I was not limiting myself to teaching. If we take, for example, in Appendix G, Courses terminating in 1981, which range from geography to law, medicine, building, zoology and so on. My questions is (a) are any, or all, or none of those required to come back and work for the Government and (b) are any, or all, or none of those offered employment by the Government?

HON MAJOR F J DELLIPIANI:

Therefore you have gone back to sub-head 6.

HON J BOSSANO:

Well, as I see it, Mr Chairman, sub-head 6 is in fact related to sub-head 7, since the Hon Member has said that sub-head 7 obviously referred to the past.

HON MAJOR F J DELLIPIANI:

We were talking of sub-head 7, because sub-head 7 still exists because of the old teacher system, otherwise it would have disappeared.

HON J BOSSANO:

I am talking under the new system which is sub-head 6.

HON MAJOR F J DELLIPIANI:

No, that is not the new system. Sub-head 6 has always existed.

HON J BOSSANO:

My point is, Mr Chairman, whether it is people who are doing teacher training or anything else, people who are undergoing training in UK or are studying in UK, for example, the one's whose courses terminated in 1981. I am asking, are they required to come back and do 3 years for the Government and are they offered employment by the Government?

HON MAJOR F J DELLIPIANI:

The contract still exists but what I myself have introduced is that during the last year whilst the student is in UK, we advise them whether we want them or not and we release them rather than once they come back to Gibraltar say, no, you are not wanted. We circularise through the Government Departments the requirements, and we advise the student in UK where he might have an opportunity of being selected by prospective

employers or themselves finding employment, whether they are released or not. We give them on the last year the chance not to come back to Gibraltar unless there is specific demand that he should come and he wants to come. Really, the contract, legally, is very difficult to enforce. It is the practice that most people, morally, come back when we require them but it would be very difficult, in fact, to enforce.

HON J BOSSANO:

Can the Minister say how many of those whose courses are terminating in 1981 are coming back or are required to come back or are expected to come back?

HON MAJOR F J DELLIPIANI:

Not off-hand. I can tell you that we have released certain students already, much to my disappointment, as I do not think they should have been released. My own personal opinion is that we require some of them but then there would be a lot of questions of more people being employed in the Gibraltar Government. I think most of them have been released.

HON A T LODDO:

Mr Chairman, on sub-head 9, the share of Running Expenses of the Gibraltar and Dockyard Technical College, is the Minister now in a position to tell the House when the College will be handed over to the Gibraltar Government?

HON MAJOR F J DELLIPIANI:

I think the Chief Minister when he came back from UK gave an indication that obviously we could not do it in this financial year because all the calculations had not been done. I think I am right in saying that Government is thinking that we should start for next year's budget.

HON CHIEF MINISTER:

I would like to say in that respect that though the principle has been agreed of the release of that and other land, we have not yet finalised the Land Agreement which is being the subject of discussion on matters of detail.

HON A T LODDO:

Mr Chairman, on sub-head 10, Wages. Would it be possible for the Minister to give a breakdown of how these wages are shared out?

MR SPEAKER:

I presume you are asking what involves wages and what involves overtime and allowances. All the other information is available from the estimates.

HON A T LODDO:

These are industrials I take it?

HON MAJOR F J DELLIPIANI:

Yes, they are industrials.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I am not sure whether the Hon Member wants it broken down by schools and persons, it is a very, very long list. What I can do, broadly, I have got a summary which shows wages for School Attendants, £163,000, for Charwomen £198,000. These are in broad terms. Efficiency bonus and supervisory allowances £31,000; other allowances £678; overtime £5,500 and supplies £14,750.

HON A T LODDO:

Mr Chairman, how many people does the figure £410,500 involve?

HON MAJOR F J DELLIPIANI:

Forty-six, Sir.

HON A T LODDO:

And, Mr Chairman, the overtime, the £5,500, who does the overtime refer to of the different categories that have been given?

HON MAJOR F J DELLIPIANI:

It refers to handymen, labourers, laboratory operatives, MT drivers, the Teachers' Centre assistant.

HON W T SCOTT:

I have something on sub-head 18. What type of teachers are involved in this accommodation? Are they contract teachers, for example?

HON MAJOR F J DELLIPIANI:

Yes, they are contract teachers.

HON W T SCOTT:

But earlier on we heard that the establishment had virtually reached saturation point. Can the Minister explain why contract teachers are still required?

HON MAJOR F J DELLIPIANI:

Yes, Sir. In a place as small as Gibraltar it is very difficult to have each specific specialist in post locally because there has never been in the past a policy of encouraging students into different specialist areas. For example, I know from memory that Home Economics is covered by one of these contract teachers. We haven't got a Gibraltarian or a local resident who has studied Home Economics to cover that. In the technical studies in the Boys' Comprehensive there are two contract teachers who teach technical studies because the local chaps have not trained that way. Part of our policy for the future is that we would like to encourage teachers in post already to specialise in these areas to be able to take over in the future because we are still not getting people interested in technical studies or in Home Economics.

HON W T SCOTT:

Can the Minister give, for example, the average cost of a dwelling or a house for one of these contract teachers?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

They are not in houses, mainly they are in the Mediterranean Hotel where it comes out at £45 a week for 22 weeks. Some are in Ocean Heights where the same amount is paid.

HON A T LODDO:

Mr Chairman, sub-head 19, In-Service Education and Development. Do I take it that this for the in-service training programme which was spoken of by the Minister in his statement towards the end of last year whereby the in-service training would take place in Gibraltar?

HON MAJOR F J DELLIPIANI:

Yes, this is only part of it, there is other in-service training. It refers to this year's budget because it is over a period of 3 years.

HON A T LODDO:

Mr Chairman, is he satisfied that everything is going well, that he envisages no problems with the teachers and the Teachers' Association as regards this in-service training in Gibraltar?

HON MAJOR F J DELLIPIANI:

Not at the moment, I think some of the teachers are disappointed that we are not offering what we usually do, a one-year course in UK, for individuals but we have made it a point that if any teacher is willing to cover any of the specialist requirements where we now have contract teachers, then we would look towards asking for additional in-service training to train these people to cover those particular contract teachers.

Other Charges was agreed to.

Head 4. Electricity Undertaking - Personal Emoluments

HON W T SCOTT:

Has any account of the wage rise throughout the course of the last year been taken when compiling the revised estimates for 1981, because the two are identical?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I think that this point was raised in a general context last year when we were asked why in the revised estimates we did not show the salaries, overtime and allowances together and we explained that the amount of work involved would be very, very high. The increases in wages will have been taken into account in the revised estimates.

HON W T SCOTT:

I am very grateful for that, Mr Chairman, but in fact that was not really my question, I did not really want the £342,900 as appears in the revised estimates to be further divided. My question was that in most other Heads of expenditure in the draft estimates, provision has already been taken by the different and varying figures between the approved and the revised estimates, but these two figures remain identical.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The reason may very well be, Mr Chairman, that the overtime and allowances were held and the savings there would absorb the increases in salaries.

HON F J ISOLA:

I notice in the next Heading, Fire Service, the approved estimate 1981/82 is £557,000, the revised estimate is £651,000. Here it is exactly the same. Does that mean that that figure of £342,900 is, in fact, the end figure for the year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

On the best estimates available at the time the estimates were done, yes, Sir.

Personal Emoluments was agreed to.

Other Charges

HON G T RESTANO:

Sir, may I note the total wages bill for industrial staff and how many people are involved?

HON DR R G VALARINO:

Mr Chairman, Sir, I imagine the Hon Member is referring to the King's Bastion element of wages?

HON G T RESTANO:

My question was the total wages bill for the whole of the industrial staff of the department. In other words, under Other Charges a lot of these items have a wage element, sometimes the whole lot of it is a wage element. All I need, really, is the total figure.

HON DR R G VALARINO:

Mr Speaker, the wages at King's Bastion is only at King's Bastion and nowhere else.

HON G T RESTANO:

What element of wages is there in all the other sub-heads?

HON DR R G VALARINO:

I think, Mr Chairman, the easiest way to do that is that when we come to the different sub-heads if the Hon Member would like to ask, I will give him the appropriate figure in each respect and then he can add up the total.

HON G T RESTANO:

Does he not know what the total number of industrial staff there is, can he give me that information now?

HON DR R G VALARINO:

The total number of industrial staff, Sir, is 155.

HON G T RESTANO:

Is that the whole department, including King's Bastion?

HON DR R G VALARINO:

That is the whole department, Sir, including King's Bastion.

HON G T RESTANO:

How many staff are there in King's Bastion?

HON DR R G VALARINO:

Mr Chairman, Sir, 75 men.

HON G T RESTANO:

I take it that there is no wage element in either sub-heads 3, 4 and 5?

HON DR R G VALARINO:

No, Sir.

HON P J ISOLA:

Could I ask on the Waterport Power Station, there is a token vote of £100,000. Can we have some explanation why £100,000 is used as a token, a token is usually a nominal amount, this does not seem to be nominal? Does this mean that the Government expects it to be around £100,000 or what is involved?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, the exact cost of the operation of the Waterport Power Station will depend upon the exact date on which it comes on stream and, secondly, the manning and allowances, etc that are agreed in consultation with the staff associations and unions. I agree that, normally, if one uses a token vote you use either £1,000 or £100, but it would have been quite wrong, I think, to have used so small an amount for the running of so large a station over a period of 6 months and so it was agreed that we would use a figure of £100,000. It is not an inspired estimate or guess by any means, but it is a level which we thought could stand best in the estimates and shown in the sum.

HON P J ISOLA:

Is the industrial staff at King's Bastion, the 75 men, are the whole of those 75 men going to continue in King's Bastion and a new lot of men put into Waterport Power Station, is that the plan?

HON DR R G VALARINO:

Mr Chairman, Sir, obviously, a certain number of men will be moved from King's Bastion to Waterport Power Station.

HON G T RESTANO:

Is it the intention to employ more staff to man the Waterport Power Station?

HON DR R G VALARINO:

Mr Chairman, Sir, we are at present waiting for the report on this but at this very moment I am unable to say definitely. The only thing I am able to say is that on reserved vote of £100,000 some of it could be less due to men being moved from one area to another.

HON G T RESTANO:

Can I put it this way, Mr Chairman. Can the Waterport Power Station be run simultaneously with the King's Bastion Power Station, without an increase in staff?

MR SPEAKER:

What you have been told is that until such time as the report is received they cannot answer that question.

HON G T RESTANO:

Who is carrying out this report?

HON DR R G VALARINO:

This is our Working Party, Sir, and also with the help of the report from the inquiry into the Electricity Generating Station.

HON W T SCOTT:

Mr Chairman, still on the Waterport Power Station. Does the Government now have any idea when (a) that Power Station will be completed (b) when it will be commissioned (c) when the public of Gibraltar can expect some supply from that Power Station?

HON DR R G VALARINO:

Let us deal with the first question, Sir. The first question is whether when will it be completed. Well, Mr Chairman, Sir, there are two aspects. First, there is the electrical aspect and secondly there is the civil works. The electrical aspect

is going ahead as planned. There is some slippage in the civil works and I think that instead of the date that we have given out previously, it is much more feasible to consider that that station will start and the engines will be giving output in September or October this year.

HON P J ISOLA:

I am not quite clear on the role of the Committee of Inquiry headed by Sir Howard Davis in relation to manning levels at Waterport Power Station. Is there a dispute between the Government and the staff associations or the unions as to the manning of that Station that requires arbitration by this Committee, or is the department not unable of its own initiative to decide manning levels there that it requires the help of another inquiry? It is not clear to us.

HON DR R G VALARINO:

No, Sir, they are merely suggestions and we are taking their advice for the proper running of the Waterport Power Station. There is no dispute.

HON P J ISOLA:

So there is no dispute between whom?

HON DR R G VALARINO:

Sir, the only dispute that there can be is between the Government and the union.

HON P J ISOLA:

Well, if that is the case, has the union agreed that this Committee should sort of arbitrate between the Government and them? Is there a dispute in existence that we should know about?

HON DR R G VALARINO:

Mr Chairman, there is no dispute in existence and this report has still got to be discussed with the union. When this is done I will report back to the House.

HON P J ISOLA:

Yes, but has the department no policy in this, doesn't the department know what its requirements are, and can they tell us? The fact that the union does not agree with those requirements and somebody else has to arbitrate does not stop the department, surely, saying that they think there should be a staff of X, Y and Z? Does the department know that? Could we be told?

HON DR R G VALARINO:

Mr Chairman, Sir, this is being looked at. The department knows and it is in the process of dealing with this aspect of the situation with the Industrial Relations Officer and the Establishment Officer but, of course, consultations with the unions must take place and before this happens I cannot report back to the House.

HON P J ISOLA:

Sorry, did the Minister say confrontation with the unions must take place?

HON DR R G VALARINO:

Consultation.

HON CHIEF MINISTER:

If that is what you want we won't have it.

HON P J ISOLA:

No, I think the Hon and Learned Chief Minister is entirely wrong. What we want is that the Gibraltar taxpayer and consumer should not be paying exorbitant rates for electricity increased and increased and the Government keeps absolutely silent of what is going on. That is what we do not want because that is using the taxpayers' money to finance the Government's political position in Gibraltar.

HON CHIEF MINISTER:

After that little speech, the whole of the study into this matter is to be able to provide the best service for the least amount of money.

HON P J ISOLA:

We are very glad to hear that, Mr Chairman, but, unfortunately, the consumer finds a different situation when it comes to paying the bills and that is why I think the Government should be more forthright in disclosing its ideas and its policy in the Generating Station and not use the taxpayer to finance its weaknesses in that area.

HON DR R G VALARINO:

Let me say that judging by the Hon Member's view, it is a shame that he did not form part and did not help and contribute to the Committee at all.

HON P J ISOLA:

I will not repeat it. The Hon Minister knows exactly why we have not chosen to take part in the Committee of Inquiry, we will not be parties to a charade.

HON J BOSSANO:

It seems to me that there has been an insinuation that the consumer is paying more than he should because people are getting something that they are not entitled to. Perhaps the Government will confirm that this is not the case, that what people are getting paid is what they are employed to do according to the rates that have been negotiated with the unions concerned and that, in fact, no proposals have yet been made to anybody regarding the Waterport Power Station, perhaps the Government can confirm this is the case.

HON DR R G VALARINO:

That is so, Sir, in fact, I think I have said this but the Hon Member opposite chooses to ignore the point.

HON P J ISOLA:

I think the Hon Member opposite and the Hon Mr Bossano miss the point entirely. What we are concerned on this side of the House is not just the salaries and earnings. We are concerned with the efficiency of a department that has failed the public continually for 3 years, continues to do so and we have to pay the bills. I am not trying to ascribe blame to anybody, what we are concerned about is inefficiency and as a result high cost to the consumer. What that is due to we have no idea because we get no information in this House.

HON A J HAYNES:

Under the general list of Other Charges, has any provision been made for introducing aural pollution diminishing measures at King's Bastion Station?

HON DR R G VALARINO:

Mr Chairman, Sir, I think I answered a question to the Hon Member not so long ago saying that the introduction of aural pollution preventive measures at King's Bastion would be costly and considering that a new Power Station will come into being and King's Bastion will be used only during the peak hours, it would be a very costly exercise and it just would not be worth spending the money on the proposals that the Hon Member suggested.

HON A J HAYNES:

So there is no change in policy? The other question, Mr Chairman. Is there any sum being directed towards experimental work for feasibility studies in alternative energy sources under the Electricity Head?

HON M K FEATHERSTONE:

We brought over a solar energy pilot plant. Unfortunately, when it arrived here it was broken, it has been sent back to the manufacturers and we are still awaiting its return.

HON A J HAYNES:

Has this been paid for? Is there a sum in this which will pay for this pilot plant or not?

HON M K FEATHERSTONE:

We had a sum in last year's estimates to pay for it. We have not paid for it yet until it is working.

MR SPEAKER:

This is under the Public Works Department, I gather.

HON M K FEATHERSTONE:

Under the Public Works Department, yes. It was going to be fitted in Bishop Fitzgerald's School to give hot water to the school.

HON A J HAYNES:

But that is the only scheme?

HON M K FEATHERSTONE:

Well, we wanted to see how that one worked, and if it was successful then we had ideas to put the same at Bayside School and the Victoria Stadium, but obviously we want to see from the prototype how it is going to work out.

HON G T RESTANO:

I would just like confirmation, Mr Chairman, of the statement made by the Minister in March that Set No 1 would be commissioned on the 12 May, and Set No 2 on the 19 June and whether these dates will be adhered to since they are by contract?

HON DR R G VALARINO:

Mr Chairman, no, Sir, these dates cannot be adhered to because of the slippage which has taken place and the dates said at the time were the dates that we expected the sets to be running at but these dates have been set back.

HON G T RESTANO:

When did this slippage start occurring?

HON DR R G VALARINO:

Certainly after I answered the question. We have had at present a team here in Gibraltar studying this very problem and we are going to try to make up any slippage that we have so far incurred as soon as we can. The dates are now September and October of this year, instead of the dates I had previously announced.

HON W T SCOTT:

Mr Chairman, may I ask the Hon Member, if it would be admissible. In general terms, what is the nature of the civil works responsible for this slippage?

MR SPEAKER:

No, I do not think we can go into those details because that is not a question that can be within the knowledge of the Minister.

HON W T SCOTT:

Could it have been obviated at an early stage by proper planning?

HON DR R G VALARINO:

The only thing I would like to say is that this is a contract and that there are penalties involved if the dates are not kept to.

HON P J ISOLA:

Mr Chairman, I am a little concerned about the House, when the Minister answers a question, in this particular case, obviously, misinforming the House, inadvertently, very possibly, but it seems to me that a month ago, on the 17 March, the Minister gave definite dates for commissioning and now we find that there is a slippage of over 3 months. Surely, somebody has not been informing the Minister correctly because I am sure he would not have given this answer if he had had indication then that there was going to be a slippage.

Could I ask two questions. One, could the Minister please clarify that for us, and, two, are we to understand that because these sets will not be commissioned in May and June that somebody will pay something for not delivering on due dates and that these provisions will be enforced by the Government?

HON DR R G VALARINO:

Mr Chairman, though there was some earlier slippage, it was realised or it was found out that the slippage could be made up and the dates in question were the dates I stated in March. Subsequently, we have found out that this is not the case and that the slippage cannot be made up. On the question of penalties, we shall pursue this vigorously with the people concerned.

HON G T RESTANO:

Mr Chairman, I would like to know the wage element, if any, under Heads 7 and 8, both in wages, overtime, allowances and so on.

HON DR R G VALARINO:

Mr Chairman, Sir, on the wages, which is Head 7, almost all of it is overtime, and comprises of the figure there. There is £13,900 in the overtime service and £400 for allowances.

HON G T RESTANO:

What about Head 8?

HON DR R G VALARINO:

On the Consumer, Sir?

HON G T RESTANO:

Sorry, Mr Chairman, if the Hon Member will give way. He said overtime was £13,900 on Head 7 and allowances £400, that is £14,300, the whole bill. So it is all in overtime, nothing in wages. Is that correct?

HON DR R G VALARINO:

Nothing in wages, Sir, it is just in overtime.

MR SPEAKER:

And on the Consumer one?

HON DR R G VALARINO:

On the Consumer one, there is basic wages, £82,199; overtime of the Consumer Service is £27,500; allowances due to conditions of service agreed with union is £6,000 and materials, which is not what you wanted, is £28,000.

HON G T RESTANO:

Again, the same two questions, Mr Chairman, on Heads 9 and 10, ie, the wages element.

HON DR R G VALARINO:

The wages element, Sir, on public lighting is £13,397 and on flood lighting £7,284, making it £21,681 out of a total vote of £100,500. This is wages and overtime, Sir.

HON W T SCOTT:

Mr Chairman, Sir, I have a question on floodlighting. There is almost a 40% or 45% increase there. Are there any other areas in Gibraltar that Government is envisaging to floodlight?

HON DR R G VALARINO:

Yes, Sir, we are envisaging floodlighting the entrance to Gibraltar, the Waterport area because this is an important area. As you well know the Southport area is very well floodlit but the Waterport area, I think, needs to be floodlit as it is the entrance to the town, and the Department is preparing, in conjunction with the Public Works Department, floodlighting certain parts of the Waterport area, so that when the tourists comes in, at least they see a reasonable entrance to our City.

HON G T RESTANO:

The same questions again on 11 and 12, Mr Chairman - the wages and overtime and allowances. Could I also have under General and Office Expenses, the telephone expenses of the Department?

HON DR R G VALARINO:

Sir, on No 11, there is nothing on wages. The telephone is £4,700. Sub-head 12, Protective Clothing and Footwear, there is nothing on expenses, Sir, not even wages.

HON G T RESTANO:

On sub-head 13, may I ask, how is that broken down into leave and injury pay? How much is leave and how much is injury pay in the £87,000 in the estimates?

HON DR R G VALARINO:

The figures above include 20 days annual leave per man and 10 days public privilege holidays. No allowance has been made for the injury pay since this is not considered significant. It includes 20 days annual leave and 10 days public privilege holidays, which is, you know, the standard agreement with the conditions of service.

HON G T RESTANO:

Mr Chairman, the same two questions on all the Sub-heads over the page.

HON DR R G VALARINO:

Mr Chairman, the same questions on?

HON G T RESTANO:

On all these sub-heads, in other words, wages, overtime and allowances.

MR SPEAKER:

I am not prepared to wait until calculations are made. Either you have got the information or you have not. This is the sort of information that can be sought from the Minister without having to sit in the House waiting for the information to be made available.

HON CHIEF MINISTER:

Mr Chairman, if there are any areas in which they want a regular breakdown and we are given notice of it, we would get them ready and pass them on.

MR SPEAKER:

Otherwise it breaks down the continuity of the Committee.

HON G T RESTANO:

Mr Chairman, with all due respect, I did ask for a total figure and I was asked by the Minister to ask Head by Head.

HON CHIEF MINISTER:

I think the Hon Member has misunderstood me. I am not referring to the point which is being asked now. But I notice that they have been asking, for example, the telephone charges in respect of each department. If there is any system which they have and which they are perfectly entitled to have, to want to know, to itemise any particular subject and we are given advance notice then we will try and do that and when the time comes it can be given across without having to search and divide sub-heads.

HON DR R G VALARINO:

Mr Chairman, Sir, on 15, Training of Staff and Apprentices. The wages element is £29,500 and £1,000 allowances. The rest is on sundries.

HON G T RESTANO:

No overtime?

HON DR R G VALARINO:

No overtime, Sir. Sub-head 16. These are Improvements to Offices and Workshops within King's Bastion and Orange Bastion. Wages £7,400; Overtime £3,600; Allowances £500. Sub-head 17. Maintenance and Operation of Transport - Wages £6,600; Allowances £850; Overtime £3,000; the rest are sundries. Sub-head 18, Sir, Electrical Plant Maintenance - Wages £51,000; Overtime £6,000; Allowances £20,300; the rest are sundries. Sub-head 19 - Wages £125,000; Overtime £71,000; Allowances £10,000, the rest are sundries.

HON G T RESTANO:

Did I hear correctly on Sub-head 18, that the allowances were £20,300? Is that the correct figure?

HON DR R G VALARINO:

Sub-head 18, the allowances are £20,300, yes.

HON MAJOR R J PELIZA:

Mr Chairman, could the Minister explain why it has been found necessary to do away with the items that follow 19 under Consumer when I think, previously, you had all the details which I think, was very enlightening? Is there any reason why this has been changed?

MR SPEAKER:

Have you gone back to Sub-head 8 now?

HON MAJOR R J PELIZA:

You will find that those are now, all put together, under Sub-head 8, which is Consumer but before they were all itemised and, frankly, I think it provided very useful and interesting information.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The reason was that in last year's debate we found that each of those votes were being broken up into wages and allocation of sundries and overtime in each service within each area of work, so it was decided in order for the Minister to be able to present the information more clearly against questioning, it would be better to put the whole amount under a specific service so that he could then answer within that service the cost in terms of wages, overtime, allowances and sundries as he has been able to do now.

HON MAJOR R J PELIZA:

But is the Financial Secretary aware that if we follow the suggestion of the Chief Minister that for every big item we should write a letter asking a specifics, we are never going to finish.

MR SPEAKER:

The Hon the Chief Minister has not suggested that. The Hon the Chief Minister has suggested that for the good management of the House it might be preferable that any information which requires research notice should be given so that the information can be made available. He did not suggest that a letter should be written.

HON MAJOR R J PELIZA:

I think that it has been found in the light of experience over many years now that it was very convenient to have it listed down. I think the public is also interested in knowing this eventually when they buy the estimates, not just this House, Mr Chairman, and I do not agree with this change, with all due respect, to the Financial and Development Secretary.

HON CHIEF MINISTER:

Mr Chairman, I am glad you have corrected the Hon Member's statement and, in fact, I was not even making the suggestion that we should have advance notice of every question, that is why we are here. What I said was that if they had a system or an approach to particular Heads, and I mentioned telephones, and they said they wanted to ask, as it appears, what the telephone charges are in every Head, if we are told

that then we will prepare the details and bring them here and have them much more readily available. This is all I meant, I did not mean anything else.

MR SPEAKER:

What is being suggested by the Hon and Gallant Major Peliza is if the system had not been changed that information would be in the estimates.

HON CHIEF MINISTER:

Well, that is a matter of judgement.

HON MAJOR R J PELIZA:

It is not a matter of judgement, with all due respect, it is just not there.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is not a matter of judgement, it is a matter of fact. It would not be in the estimates because we would have, possibly, how much is spent on telephones but it would not answer the question, how much is spent on telephones in specific areas of work, what it would be useful to know is, how do we want the estimates broken up. Do we want them broken up into discreet areas of work or do we want them broken up by the specific service of telephones, maintenance of machinery?

Other Charges was agreed to.

Special Expenditure

HON G T RESTANO:

Can I know of how much of the £136,200 for temporary generating plant is in connection with the skid generators and how much for the trailer mounted generator?

HON DR R G VALARINO:

Sir, on the skids, the amount is £70,200 and on the trailer mounted generator it is £26,000. It is proposed to retain the four skids until the end of September and the trailer mounted generator until the end of May. However, the position has to be kept flexible with respect to progress at Waterport Power Station and our own work at King's Bastion. Therefore, it is difficult at this time to be more precise in these specific figures to the House.

HON G T RESTANO:

Mr Chairman, based on the figures that we were given in March on the installation cost and hire charges of the skid mounted generators, at the time we were given a figure of £292,600, and adding now £70,200, we will have now virtually paid for the sets on hire what it would have cost to purchase outright.

HON DR R G VALARINO:

Mr Chairman, Sir, if the Hon Member is suggesting that it would have been cheaper to buy the sets than to rent them, there are two things I would like to say. First of all, to buy the sets would have meant a very large capital expenditure from Government and we would have had to borrow that amount of money at high interest rates and, secondly, once we had finished with the sets we would have had to find a buyer because if we had not found a buyer, we would have lost the entire money that we would have spent on these sets.

HON G T RESTANO:

It is the other way round, Mr Chairman, because at the end of the day, had those sets been purchased, they would have belonged to the Government. In this case, we have paid £362,000 odd, for the skid mounted generators and they do not belong to us. So, surely, it would have been wiser to have purchased them outright in the first place.

MR SPEAKER:

We are not going to get involved in this. That is a matter of principle which could have been raised at the Second Reading of the Bill.

HON G T RESTANO:

Mr Chairman, all I was asking was, is it not the case, therefore, that had they been purchased outright the cost would not have been more than the hire?

MR SPEAKER:

The answer has been no.

HON G T RESTANO:

But if he says no, Mr Chairman, surely, the Minister should give an explanation?

MR SPEAKER:

He has given an explanation to the extent that he has said that he would have had to borrow money, he would have had to pay interest on it, he would have had to find a buyer at the end of the period. Whether it is an answer which can be accepted by the Opposition is another thing. That is the question that I do not want to get involved in, in the question of principle.

HON G T RESTANO:

But would he not agree that he would have had an asset to be able to sell?

HON DR R G VALARINO:

Mr Chairman, this could be an asset or a burden.

HON P J ISOLA:

Do the people from whom we have hired the skid generators, do they propose to collect them and take them back or do they possibly think that they cannot be sold and therefore they might as well leave them in Gibraltar? Does the Minister have any idea?

HON DR R G VALARINO:

Mr Chairman, Sir, we shall send them back to the United Kingdom when there is no longer any need to keep the sets in Gibraltar for the needs of the community.

HON W T SCOTT:

Are the sets being sent back at public cost, Mr Chairman?

HON DR R G VALARINO:

Mr Chairman, Sir, yes, it is in the hiring agreement.

HON W T SCOTT:

Is that cost covered in the £136,200?

HON DR R G VALARINO:

Mr Chairman, yes, Sir. It also covers local transport in Gibraltar, freight charges, UK transport.

HON W T SCOTT:

What is the total figure involved?

HON DR R G VALARINO:

It is £136,200, minus £96,200 which I mentioned previously to the Hon Member.

HON P J ISOLA:

Am I right in thinking that the total cost to Gibraltar of the temporary generating plant would be the item under Actual Expenditure 1980/81, the revised estimate 1981/82 and the estimates 1982/83, would that be correct?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, the totality of figures that the Hon and Learned Leader of the Opposition has mentioned includes some £150,000 that would have been expended whether we bought them or whether we hired them for placing the equipment and putting it into use. I have just done a quick toss-up of the transport cost of getting them back and I make it £26,000 out of the total of £173,000 which is included in the estimates.

HON A J HAYNES:

Mr Chairman, has the Minister any information to give us on what use the building which now holds the skid mounted generators will be put to?

HON DR R G VALARINO:

Mr Chairman, the walls will be knocked down as soon as the skids are no longer necessary and the whole area will be brought back to its original state.

HON G T RESTANO:

I would just like to say, Mr Chairman, that we are most dissatisfied with the whole of the operation of the skid and trailer mounted generators and we will be voting against this item of Special Expenditure.

On a vote being taken on Special Expenditure of Head 4 - Electricity Undertaking - the following Hon Members voted in favour:

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

The following Hon Members voted against:

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

The following Hon Members were absent from the Chamber:

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

Head 4 was accordingly passed.

Head 5, Fire Service - Personal Emoluments

HON G T RESTANO:

Mr Chairman, I notice that the Assistant Chief Fire Officer has been downgraded, can I have a reason for this?

HON DR R G VALARINO:

Mr Chairman, Sir, as far as I know, the Deputy Chief Fire Officer has not been downgraded.

HON G T RESTANO:

Will the post be downgraded?

HON DR R G VALARINO:

Mr Chairman, Sir, this is still under review.

HON G T RESTANO:

For how long is it going to be under review, Mr Chairman, we have been told this for months and months?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, the Government, at the instance of the Staff Association, appointed an inquiry into the senior staff grades. This took some 9 months as it was a very searching and in-depth inquiry. The papers have been with the Government some time but we have had to have the views of the Staff Associations and we have also taken account of representations made by individual officers. The Government is processing it as quickly as possible.

Personal Emoluments was agreed to.

Other Charges

HON G T RESTANO:

I would like to know the telephone expenses here and I give notice to the Chief Minister that I will be asking for the telephone expenses in all the Departments. If I may say so, Mr Chairman, it would be helpful if when giving the figures, these figures could be given in the same way by the different Departments. For example, when I asked about the Customs I was given a figure of £600 per quarter for rental and £250 for trunk calls per quarter and in Education and Electricity I was given the total amount. I would be grateful if I could have the information by rental and by trunk calls as totals rather than by quarters.

HON DR R G VALARINO:

Mr Chairman, the telephone is £1,880, of which telephone rental is £470 per quarter and the cost of servicing makes up the rest of the amount.

Other Charges was agreed to.

Head 6, Governor's Office - Personal Emoluments was agreed to.

Other Charges was agreed to.

Head 7, House of Assembly - Personal Emoluments

HON G T RESTANO:

Mr Chairman, on Personal Emoluments. I did raise on the Second Reading the possibility of extra staff being taken on in this Department. Can Government say whether they are prepared to increase the establishment here?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, before we have any increase in establishment in any Department, we must get staff inspection. If we are to consider an increase in the House of Assembly then we must have a staff inspection.

MR SPEAKER:

Well, perhaps in answer to that one I can say that there has been a staff inspection. May I say that we are certainly at a stage now when the service of the House is not as it should be because we consider, at least the House considers, that we are most certainly understaffed.

HON MAJOR R J PELIZA:

Mr Chairman, with regard to the Financial Secretary's answer, would that also apply to any extra cost that might be involved in trying to produce an index for the Hansard? Perhaps the Chief Minister who is the Leader of the House as well, might give us an answer on that one.

HON CHIEF MINISTER:

I do not think that we have had that costed but if it is in respect of the staff inspectors, no doubt representations have been made to the staff inspector, as to the staff required to provide the index.

HON MAJOR R J PELIZA:

Will that, hopefully happen during this financial year or do we have to wait another year before I ask the same question again, which I think I have been asking now for about three or four years?

HON CHIEF MINISTER:

I have not been told by Mr Speaker that the index cannot be produced because there is no money.

MR SPEAKER:

I think we should leave matters as they stand since it does apply to the House. I think Members are now well acquainted with the views that we hold and we will make representations to the right quarters to see that matters are righted.

HON G T RESTANO:

One more question, Mr Chairman. Was a staff inspection required for the Labour Department, for the Police and for the Customs who employed more people recently?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

These were made in an emergency in an open frontier situation but they were discussed between the Heads of Department and the Establishment Branch.

Personal Emoluments was agreed to.

Other Charges

HON P J ISOLA:

Am I right in thinking, under Item 4 - Allowances to Elected Members - that the revised estimates of expenditure will show under-spending by around £6,000 because I do not think the allowances the Hon Members are receiving during that particular year, the increase?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The allowances to Hon Members is linked with the senior staff grades and until an award is made on the senior staff grades no adjustment can be made to the allowances of Hon Members.

HON P J ISOLA:

I know that but what I am saying is the revised expenditure figures for the end of the year will show a drop of £6,000 on the revised estimates because it has not been paid. I presume that the revised figure should be £126,800.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I expect it will be, yes.

HON CHIEF MINISTER:

May I make a statement in respect of this for the interest of all Hon Members and that is that whilst there is no question, I think, in the senior staff report of the extent to which the increase is applicable to those officers from whom the comparison or the analoguing takes place therefore you could say that there was I think a 7%, you could have said that even without staff inspection, I felt that until the whole problem of the senior staff was settled in which some people were affected who have no relation with the analoguing with the allowances of Hon Members it would not be appropriate to make the allowances now although they will always be with effect from the 1st of July of last year.

HON G T RESTANO:

May I have the telephone expenses of the House?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Telephone rental £380; trunk calls £175. If the Hon Member would like potable water I will give him that too, £30.

Other Charges was agreed to.

Head 8, Housing - Personal Emoluments

HON A J HAYNES:

Is the Housing Manager to be upgraded in the scale?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If I may answer to that. That, again, is subject to the review of senior staff.

HON P J ISOLA:

I notice the addition of a Clerical Officer, is there any particular reason for that?

HON H J ZAMMITT:

No, Mr Chairman, there is no particular reason. There is one post on the obsolescent scale which was a Rent Collector, I think, who has remained on but it is personal to the holder.

Personal Emoluments was agreed to.

Other Charges

HON G T RESTANO:

The telephone expenses, Mr Chairman?

HON H J ZAMMITT:

Telephone expenses, Mr Chairman, we have just installed two new telephones, one at the Rent Collectors Office at Alameda Estate and one in the Wardens Office at Laguna Estate.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

£1,800 for the payment of telephones, Sir. Electricity and water charges £23,100 but that comes under Upkeep and Operation of Centres.

HON G T RESTANO:

That is £1,800 in total?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir.

HON G T RESTANO:

Any idea how much of that is for trunk calls?

MR SPEAKER:

That is the sort of information that can be sought from either the Financial and Development Secretary or the Head of Department but we must not get bogged down as to the details, Ministers are not supposed to have this kind of information at their fingertips. It is information that the Opposition is most certainly entitled to and they can easily get if they ask, I am sure, but not from the House.

HON G T RESTANO:

I have only asked that question, Mr Chairman, because in some departments I am given it one way and in other departments another way.

HON CHIEF MINISTER:

Mr Chairman, first of all, there are departments which are more likely to require trunk calls than others because of the nature of their work, for example, Tourism and the House of Assembly with regard to Commonwealth Parliamentary Association business. The point is others should not have any. Once we deal with this, if the Hon Member is interested we shall have a breakdown of the amount of calls. We are, let me say, Mr Chairman, clamping down on calls, we have very strict internal rules about the authority for trunk calls, very strict rules, and not only do we have it now but in anticipation of the metering and therefore we have already got very strict directions as to who is authorised to put a call through not only because of the public expenditure but because of the possible abuse of people using it for their own use and getting away with it and this is why we have very strict rules which we have done in anticipation of the trunk call service which will not show, as it does now, the numbers which you have rung and therefore it will be much more difficult to detect improper use of trunk calls. We have this and I shall try and see whether we can get an overall picture and inform the Hon Member but it is terribly difficult at this stage. Some Heads of Department do not allow for much and then they get some and others allow for it and they do not make any.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I wonder if I might just add to what the Chief Minister has said. First of all to say that of the £1,800, £1,200 is for rentals, repairs and renewals and £600 is for telephone calls. I did, following last year's Committee Stage discussion in the House, consider whether we should break up the estimates more to provide the sort of information that

some of the Hon Members opposite were seeking and the result would have been that the estimates would have been possibly twice as long as they are, they would have been filled with very, very small amounts for certain departments which really would have been a waste of time and if, as the Chief Minister said, any Hon Member wants any additional information on the estimates then certainly either we in the Treasury or the department will only be too happy to provide it.

HON G T RESTANO:

Mr Chairman, I am quite happy not to ask any more questions on the telephone provided I can get the list fairly quickly. Could I even ask during the day sometime, would that be possible? It is not something which I would have thought was so difficult to collate, or even tomorrow?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, it is not difficult but we are in the middle of a budget and the Treasury officers concerned are all tied up in the budget, the officers who would normally be dealing with this are helping me in the House. Certainly we will get it to the Hon Member as soon as the budget is completed. With the best will in the world it really would be difficult to do it earlier.

HON A J HAYNES:

Subhead 3, Maintenance and Running of Motor Vehicles. Am I correct, Mr Chairman, in assuming that the drivers of these vehicles do not keep log books and if that is the case does this in any way explain the difficulty in estimating the cost? Lastly, is there any likelihood that as last year, we will again be overspending and going beyond the estimates?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, no Government Department keeps log books for their vehicles or at least not log books in the way in which they are required by the Public Accounts Committee. The cost of maintaining the running of vehicles is made up of petrol and oil for the vehicles at an average of £50 a month, licences £136 and repairs £1,424. It is hoped that no additional funds will be required as were required last year because of repairs.

HON A J HAYNES:

Mr Chairman, Subhead 5. Can I have an explanation as to what Upkeep and Operation of Centres means and if again we are likely to have another increase this year over and above the estimates?

HON H J ZAMMITT:

Item 5 means increases in water charges, additional accommodation made available to Town Range Centre and the abuse of water by tenants in some of the transit centres where the water at present is unmetered.

HON A J HAYNES:

Would it be cheaper to meter, Mr Chairman, and therefore not have this abuse?

HON H J ZAMMITT:

It would be cheaper and Government has made provision this year to make sure that water meters are installed in the Transit Centres.

MR SPEAKER:

Any further questions on Other Charges?

HON A J HAYNES:

Mr Chairman, Subhead 6, Supervision of Crown Properties. Can I have a breakdown as to what that means?

HON H J ZAMMITT:

Sir, mainly it is wages, Mr Chairman. Excluding the Warden structure, all the labourers and lorry drivers come under that particular item.

HON A J HAYNES:

Mr Chairman, is this supervision of Crown Properties, is he referring to the right subhead?

HON H J ZAMMITT:

It is increase in wages and allowances.

HON A J HAYNES:

Sir, what do drivers have to do with Crown Properties?

HON H J ZAMMITT:

They go round with lorries cleaning up different estates, different Crown Properties, different centres, removing litter, rubbish, conveying, taking away, all kinds of work that drivers do. Drivers are but one section of the gang that work in the supervision of Crown Properties.

HON A J HAYNES:

Mr Chairman, are these Public Works Department officials or workmen or are they taken from the limited number of establishment that Housing has and furthermore are these Crown Properties just Housing Estates or do they include any other properties?

HON H J ZAMMITT:

They include Housing Estates and Housing as such. It does not include, for instance, the Supreme Court or House of Assembly, it includes Housing. It includes the industrials, maintenance wardens, not the District Wardens who are under Personal Emoluments.

HON A J HAYNES:

I understood from the first answer that the figure of £173,500 related principally to wages. There is no allowance for the increase of wages?

HON H J ZAMMITT:

That will be coming in according to the review that comes further on during the year.

HON W T SCOTT:

Mr Chairman, in the Electricity Undertaking, or rather before I get to that, there is an industrial staff, obviously, in the Housing. In the Electricity Undertaking we have a separate Head to cover for leave and injury pay and another item to cover for sick pay for workmen. Where would that leave, injury pay and sick pay for the industrial staff involved within the Housing Department come under?

HON H J ZAMMITT:

It would come under the total sum of £173,000 and the £49,000 in the case of industrials and it would come under the Personal Emoluments of the global sum of £138,000 for the non-industrials.

HON W. T SCOTT:

Why is there a difference in the manner of presentation between the Housing and the Electricity Undertaking and the Public Works in this Department?

HON H J ZAMMITT:

That I cannot answer, Mr Chairman.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is a question of the amounts involved, if the amount involved is significant we would have a separate subhead, if it is not significant it would be included under another subhead.

HON A J HAYNES:

Under subhead 7. Maintenance of Government Housing, we see here a substantial reduction in the sum allotted and, in fact, this sum is taken up, if one can refer to page 71 of the estimates, one sees it under subhead 3, am I correct?

HON H J ZAMMITT:

Yes.

HON A J HAYNES:

Is this a move towards a structural change of the Housing Department and, if so, why keep this estimate of £49,000? What work is done for this money that is not included in the million-plus that the Public Works is doing?

HON H J ZAMMITT:

Mr Chairman, originally, I think three or four years ago, the sum was moved from Public Works Department into the Housing Department. The money is controlled exclusively and was controlled exclusively by the Public Works Department and, in fact, Members will remember that I was unable to answer any questions of any expense involved within that sum because, of course, my Department was not controlling it other than just signing for £50,000 every weekend. The £49,000 that the Hon Member has made reference to, as I said, refers to a small maintenance gang consisting of an electrician, a carpenter, a mason, a plumber and a labourer that do the small repairs to allow for quick allocation of vacant mainly pre-war housing that becomes available. The other sum is now within the Public Works vote.

HON A J HAYNES:

Mr Chairman, does the Hon Minister have any say as to which houses are repaired or jacked up or is this controlled, again, by the Public Works Department?

MR SPEAKER:

I think the Minister said that the £49,000 are now controlled by his Department.

HON H J ZAMMITT:

The £49,000 was always controlled by the Housing Department in a small maintenance gang but the £1.2m or whatever was not controlled by the Housing Department, it was put there to try and find out what housing was costing. We do control the £49,000 and in answer to the Hon Member, yes, certainly we have very good relationship with Public Works Department and if we have a particular need for a particular house that becomes vacant and requires repairs, the Public Works Department do their utmost to try and accommodate us as soon as possible. As I say, the small gang mainly does pre-war housing but there are instances when post-war housing is available that our maintenance gang can go in and within two or three days they can put it up ready for allocation.

HON A J HAYNES:

Mr Chairman, the heading is titled Maintenance of Government housing, in fact, would I be correct in assuming that that is slightly misleading insofar as really it should be repairs of vacant premises prior to allocation?

HON H J ZAMMITT:

No, Sir, because the original vote when it was so greatly inflated by £1.2m, it went up to that one year, was in fact maintenance of Government housing and they were doing repairs, major and minor repairs, by the Public Works Department. We are continuing to maintain, there are certain houses occupied by people, particularly elderly people, who ring up and would like a small job done which the gang does as soon as possible.

HON A J HAYNES:

Though the Hon Member did indicate that the Public Works Department were helpful and would, when asked, repair vacant premises, is it still nevertheless true to say that the Public Works Department are in control not only of the money but also of the general policy as to which house will be maintained, ie Humphreys may need a facelift and so forth, is that a correct assumption? Are you in the hands of the Public Works Department?

HON H J ZAMMITT:

I think it is unfair to say that, Mr Chairman. The Public Works Department if they have three or four vacant houses and they cannot repair them all at the same time would ring up Housing and ask for our priority and our need. I do not think it is fair to say that they would go ahead without consultation with us, there is certainly consultation in that aspect.

HON A J HAYNES:

Mr Chairman, Subhead 9, Rent Relief. Can I have an indication as to the number of people benefitting from this system?

HON H J ZAMMITT:

I have not got that information with me, the number of people, I can certainly get that for the Hon Member.

HON A J HAYNES:

Mr Chairman, lastly, is there any provision in these estimates under Other Charges for the restructure of this Department either to expand it or to bring it into the Public Works Department?

HON H J ZAMMITT:

Mr Chairman, the Housing Department was taken away from the Public Works Department and I do not think that after one has been divorced one should try and remarry. We are independent.

HON J BOSSANO:

Mr Chairman, are there any Government Estates to which Rent Relief is not applicable?

HON H J ZAMMITT:

No, Mr Chairman, there is no Estate, there was an Estate at Rosia Dale at the outset but of course the bedsitters at Rosia Dale are subject to Rent Relief.

HON J BOSSANO:

At one stage, in fact, am I right in thinking that neither the Alameda Estate nor the Varyl Begg Estate were subject to Rent Relief?

HON H J ZAMMITT:

It has all been done away with, Mr Chairman.

HON A J HAYNES:

On a point of clarification, should I be asking this Hon Gentleman or the Minister for Public Works whether or not, for instance, Jumpers Building or Hargraves Court will be included in the general maintenance programme?

MR SPEAKER:

The answer is that it is the Public Works Department.

Other Charges was agreed to.

Special Expenditure

HON J BOSSANO:

On Replacement of Vehicles, £3,000, it seems a low figure. Are we talking about the lorries that the department uses for collection of bulk refuse?

HON H J ZAMMITT:

Yes, Mr Chairman, we have a lorry at present. We are hoping that we will be able to trade in the lorry we have at present. We do not intend to run two lorries because of course then it becomes far too expensive so although I accept that the figure is pretty low at today's cost of vehicles, our lorry is not in extremely bad condition although it has done sterling work and we hope to trade it in and get something of some value.

Special Expenditure was agreed to.

Head 9, Income Tax Office - Personal Emoluments was agreed to.

Other Charges was agreed to.

Head 10, Judicial, Court of Appeal

HON A J CANEPA:

Mr Chairman, I wonder if I might be given an opportunity to make a personal statement at this stage on clarification. About a month ago or six weeks ago when I was involved in a controversy on the issue of rent increases, in a letter to the Chairman of the Property Owners Association, between the stage of the letter being drafted and the letter being published, some gremlins were at work and some reference that was made to delays in court work instead of a small 'c' a capital 'C' appeared in the final publication and therefore that gave the impression, I think, that I was casting some aspersion at delays in the work of the Supreme Court. Court work was meant to be, generally, work associated with the Court involving solicitors chambers and so forth and it was not intended to be taken as any criticism of the Supreme Court and I think this is an opportunity for me, in public, to put the record straight. I told the Chief Justice that whenever I got an opportunity to do so I would make a public statement on the matter.

(1) Supreme Court - Personal Emoluments was agreed to.

Other Charges

HON A J HAYNES:

Perhaps I should preface my remarks by saying that I have an interest to an extent, to the extent that I am a lawyer, but on the question of legal aid and assistance I would note that the sum allocated is extremely low and perhaps it is indicative of the difficulties that the public face in being eligible to receive assistance, much more so than in legal aid, and I was wondering whether the Attorney-General has any observations to make on this and whether attempts will be made to increase the funds by expanding the band for requirement?

HON ATTORNEY-GENERAL:

Mr Chairman, I think in the case of legal assistance, civil legal aid, I think I may say that there is a matter which needs to be looked into there and representations made to Government on it, that the qualifying limits for entitlement to civil legal aid. In the case of criminal legal aid depending on the exigencies of particular cases and of course some cases involve more work than others, I think, by and large, the flexibility is there at the moment to allow in appropriate cases a proper remuneration. It seems to me to be civil aid where there is a need to look into it as soon as possible.

HON A J HAYNES:

I would agree with the Attorney-General, Mr Chairman, but there does seem to be no provision for this forthcoming year. Is it expected that the bands will be increased this year or not, Mr Chairman, and may I also ask in respect of jurors whether there is any provision to increase the remuneration of the jurors?

HON ATTORNEY-GENERAL:

On the first point, Mr Chairman, this year legal aid and assistance is treated as a statutory expenditure, it is a matter which I think is intended to be a mandatory charge on the revenues once the qualifying criteria has been met so I think it is dealt with as a statutory expenditure rather than as appropriated expenditure.

HON A J HAYNES:

Is there likely to be a change in the bands this year and, secondly, the question referring to jurors, is there any likelihood of an increase in remuneration for jurors?

HON ATTORNEY-GENERAL:

Could I ask the Hon Member if he could just clarify his first question?

HON A J HAYNES:

The qualifying sums to be entitled to legal assistance which is civil legal aid.

HON ATTORNEY-GENERAL:

There is no revision at present proposed but I think I indicated just a few minutes ago that as far as legal assistance is concerned ie the civil legal aid, it is a matter on which I think we ought to make representations to the Government.

HON A J HAYNES:

On the question of jurors, Mr Chairman, is there any likelihood or is any provision being made to increase the remuneration especially for jurors who serve on a case which is of inordinate length ie any case over two weeks I would describe as such.

HON ATTORNEY-GENERAL:

I think perhaps the Hon and Learned Member, if he will forgive me, does not mean inordinate, he means extraordinary length. I am not aware myself that there is a need to review jurors expenses, this is a matter which could perhaps be looked at. I appreciate that lengthy cases do present particular problems so far as private individuals are concerned but I cannot really give a commitment on that, it is a matter I would have to take up with Government if I thought there was a case to be pursued.

HON A J HAYNES:

Mr Chairman, is there an up-to-date legal index for this year coming out soon or not?

HON ATTORNEY-GENERAL:

Mr Chairman, I expected that question to be asked on my own Department. It has taken longer than I had hoped to come out but I can say that because it has taken longer we also thought we should bring out something a little bigger and better, if you like, than the previous one, not that there is anything particularly wrong with the previous one and in fact last week the completed proof went up to the Government printer and we hope to have it out shortly. I should make it clear that that is the previous year's proof, the current year's one will come out almost immediately after it because, obviously, there will be very little revision involved. What we have done, really, is to widen the cross reference in it and I hope that it will be found to be more helpful for practitioners and for other people.

HON A J HAYNES:

Mr Chairman, on the question of the laws of Gibraltar, is there any progress in respect of the brief given to Sir John Spry?

HON ATTORNEY-GENERAL:

Sir John Spry, Mr Chairman, is working and has been working for some time on the revision. It has been necessary to extend the time for doing it and it is proposed now that it should be the 31st December, 1984 but I can assure the Hon Member that Sir John is working rapidly on it. I think I should explain that it was found to be rather a more time consuming task than was originally anticipated. I think when I spoke about this last in the House, when I mentioned that Sir John was doing these reprints, I did say that I thought it was a fairly tight time-table to work to because I think you will find that in most jurisdictions a statutory revision does take three, four or five years and I think it is still a fairly prompt time-table to work to.

HON A J HAYNES:

Mr Chairman, is there any likelihood that the laws will also be brought up-to-date as perhaps one will remember from the debate when it was proposed from this side of the House that a revision would not necessarily solve the legal problems that we have and especially, Mr Chairman, in the light of Gibraltar's increasing stature as a finance centre. Perhaps the Financial and Development Secretary is also concerned that we should up-date our laws, say, in company areas and so forth?

HON ATTORNEY-GENERAL:

I think the balance of the reprint was discussed and I think I made the position clear at the last meeting. I think I can say, although one is never satisfied, that the output of legislation is gradually increasing. So far as financial matters are concerned there is in fact a programme of financial measures to be taken of which the Banking Bill is one example and I won't speak for the Financial and Development Secretary but I am sure that there will be a continuing programme of financial legislation designed to enhance Gibraltar's position as a finance centre.

HON A J HAYNES:

Has the Attorney-General got any information regarding perhaps changes in the law regarding company law and another matter would be captive of insurance companies? Is there any question of coming into line with EEC directives on this or not?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, perhaps I could answer those. I understand that on company law the recently formed Institute of Chartered Accountants in Gibraltar will be making representations to the Government. I am not sure when those can be expected. On captive insurance, once we have got the Banking Bill under our belts we should be moving forward on other fronts, the finance centre as the Learned Attorney-General said and insurance will be one of them.

HON P J ISOLA:

The re-binding of Law Books and Registers, what item does the new bound volume of the laws of Gibraltar for a particular year come under? I am really enquiring as to when we can expect the 1980?

HON CHIEF MINISTER:

We are still dealing with Judicial.

HON ATTORNEY-GENERAL:

If I can clarify, Mr Chairman. I think it strictly is the Secretariat vote but it is a matter for which the Law Officers are responsible.

Other Charges was agreed to.

(2) Magistrates' and Coroner's Courts - Personal Emoluments
was agreed to.

Other Charges was agreed to.

Head 11, Labour and Social Security - Personal Emoluments

HON W T SCOTT:

On the establishment, Mr Chairman, can the Minister confirm whether extra staff taken on as a consequence of the implementation of the Lisbon Agreement, were they also engaged on a temporary basis?

HON MAJOR F J DELLIPIANI:

Yes, Mr Chairman,

Personal Emoluments was agreed to.

Other Charges

HON W T SCOTT:

Under subhead 15, the Elderly Persons Pensions, Mr Chairman, can I ask the Minister how many recipients there are today and also how many there were a year ago? I am not in a hurry for that information, he might care if he does not have it on him to give it to me at some stage in the not too distant future.

HON MAJOR F J DELLIPIANI:

I can tell you for this year. It has been calculated in the basis of 870, last year I have not got it but I will find the information.

HON W T SCOTT:

Mr Chairman, presumably also under that subhead there is an element of increase that one hopefully looks for at this time of the budget. Pensions being raised on the 1st January every year, there is an element of increase in that as well, is there not?

HON MAJOR F J DELLIPIANI:

Yes, Sir.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, on a point of clarification or further explanation, the figure last year was 890; this year it is 870.

HON G T RESTANO:

Mr Chairman, may I ask why there has been a decrease in the amount to be spent on sponsored patients?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, the figure is brought in line with the revised estimates.

HON A T LODDO:

Mr Chairman, I notice in subhead 14 that the holidays for the elderly has come down to £100, could the Minister explain?

HON MAJOR F J DELLIPIANI:

Mr Chairman, it is just a token provision of £100.

HON A T LODDO:

But, Mr Chairman, is it still the policy of the Government to provide holidays for the elderly?

HON MAJOR F J DELLIPIANI:

Yes, that is why we have got £100 token.

HON W T SCOTT:

But, in fact, in other years have there always been a token or has there been a finite amount?

HON MAJOR F J DELLIPIANI:

The thing is that we have found it is increasingly more difficult to find old people who want to go on holidays. The fact that there has been difficulty in finding enough people who want to go and we have taken the same people every year most of the time and also I think the fact that the border was opening would have a bearing into cost too, people might want to go to Spain instead of to England.

HON W T SCOTT:

There is no suspicion there because one has heard a number of rumours of late on the sponsoring of holidays for elderly people. There is no suspicious reason in fact?

HON MAJOR F J DELLIPIANI:

The thing is that we have been sending the same people every year and other people do not want to go. It would have been suspicious if I had taken it out. I have put it there because we might see what the demand is and how things develop.

HON A T LODDO:

Mr Chairman, subhead 16. What exactly are these Training Courses?

HON MAJOR F J DELLIPIANI:

They are for Trainee Social Workers, two officers from the Labour and Social Security Section.

HON W T SCOTT:

Might I ask, Mr Chairman, on subhead 21 whether in the new total of £80,000 is included an allowance to those young people attending the Industrial Training Course?

HON MAJOR F J DELLIPIANI:

No, Mr Chairman, by the time the Council of Ministers approved my paper all the estimates had been completed and it has been agreed in Council of Ministers that when we need the money we will go for a supplementary.

HON W T SCOTT:

Where would that come under because I gather it has already been paid for quite a few weeks? What subhead would that come under?

HON MAJOR F J DELLIPIANI:

It has been paid under Industrial Training Expenses.

HON W T SCOTT:

And also, Mr Chairman, because the rise is quite substantial, we are glad of that on this side of the House. Can the Minister explain if the rise is due to some other scheme the Government has in mind?

HON MAJOR F J DELLIPIANI:

The Construction Industry Training Centre? No, this is that our share of the cost is high. We share this cost with the Property Services Agency and our share is higher. We are making bigger use than the PSA.

HON W T SCOTT:

So, in fact, the Government other than the scheme it originally started some few months back has no other scheme?

HON MAJOR F J DELLIPIANI:

Not at the moment. I am prepared to discuss the scheme later on with the Hon Mr Scott.

HON J BOSSANO:

Can the Minister confirm that, in fact, school leavers who are unemployed do not receive any benefit at all other than this as opposed to UK, for example, where they are entitled to claim supplementary benefits?

HON MAJOR F J DELLIPIANI:

Yes.

HON J BOSSANO:

The Government has got no intention of changing that situation?

HON MAJOR F J DELLIPIANI:

No.

Other Charges was agreed to.

Head 12, Lands and Surveys - Personal Emoluments was agreed to.

Other Charges

HON A T LODDO:

Mr Chairman, under subhead 5, Removal of Unauthorised Structures. Are these the ever-recurring chicken runs?

HON A J CANEPA:

Yes.

HON A T LODDO:

On subhead 7, Ex-gratia payment to New Laundry Ltd re North Front Premises. What does this refer to?

HON A J CANEPA:

Sir, the genesis of this payment of ex-gratia compensation to New Laundry Ltd goes back to before 1971 when the demolition of the old cattleshed in the North Front area became necessary for defence reasons following the decision to re-site the North Front Aerial Farm and then that was deployed by the reclamation at what is now the Varyl Begg Estate and the business which had been operated by New Laundry, one of the firms that were affected by this decision, in fact, they have been operating in the cattleshed since 1943 and the Government was able after prolonged and strenuous efforts to offer them alternative accommodation at the old Laundry premises previously operated by the Medical Department below KGV. The Royal Engineers helped them out with moving and installation of equipment and this is a matter that has been the subject of a lot of discussion and having regard to the exceptional circumstances and the extent to which the business was hit or affected for reasons outside the control of the people involved, the Government approved the payment of this sum of money as an ex-gratia compensation. It was approved at the time, it has not been increased and it was there on the table and now they want it.

Other Charges was agreed to.

Head 13. Law Officers - Personal Emoluments was agreed to.

Other Charges

HON G T RESTANO:

Does the Department not pay any rent for the premises which it has taken, I think, in Seclane?

HON ATTORNEY-GENERAL:

Mr Chairman, I think that the rent for the Government premises is dealt with under the Secretariat vote. We do occupy rented premises, as the Hon Member knows, but these are paid out of the Secretariat vote rather than from our own vote.

HON G T RESTANO:

Would it not be better to have that rent included here in the same way as the Income Tax Department has its rent under its own Head?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There is an argument for that, Sir, which would be strengthened if we intended that the Law Officers would stay for a long period where they are at the moment but the situation on office accommodation for Government Departments is fluid. We are trying to move out of rented accommodation and for that reason we have made no change.

HON G T RESTANO:

Is it envisaged that the move may take place during the coming financial year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think, Mr Chairman, that it is not likely to happen for eighteen months.

HON G T RESTANO:

May I ask, what is the rent that is paid for the premises taken by the Law Officers?

HON ATTORNEY-GENERAL:

Mr Chairman, I am sorry, I have the details on this, I wonder if the Hon Member would bear with me, I had not expected the question to come on the Secretariat vote. May I come back on that as soon as I have the information?

HON P J ISOLA:

Isn't there a bound volume of the Laws of Gibraltar, 1980 - that is provided in the Secretariat vote - but can I ask the Attorney-General when this is likely to come out as well as the index?

HON ATTORNEY-GENERAL:

Mr Chairman, it is a responsibility of my Department. The position is and I could perhaps conveniently cover the three items because there are in fact three items. We have the indices, we have four reprints of statutes, originally there were going to be twelve but we decided in the event because of the proximity of the overall revision of the statutes, there would be no point in doing twelve and we have the 1980 and 1981 bound volumes. The position is that work is being done on all of them. As I said before, it is behind but the first index is going to the printer and the person who is doing that is working on the other matters as well and I expect to have them cleared. We are, in fact, making a special effort and putting someone on them to clear them out of the way.

Other Charges was agreed to.

The House recessed at 1.00 pm.

The House resumed at 3.20 pm.

Head 14. Medical and Public Health - Personal Emoluments

HON G T RESTANO:

Mr Chairman; when can we expect the new Director of Medical and Health Services to be in Gibraltar?

HON J B PEREZ:

Mr Chairman, the post has already been advertised, one will have to await for the decision of the Public Service Commission on this aspect. I anticipate before the end of this financial year but I cannot really give a firm date because one has to await the decision of the Public Service Commission. May I also take the opportunity, Mr Chairman, of saying that under Laboratory the figure 6 should appear in my establishment of 1982/83 and not 5, that is under Senior Medical Laboratory Technician.

HON G T RESTANO:

Mr Chairman, does not this represent another serious slippage on the part of the Government? The present Director should have vacated his post in June of this year, in a couple of months time, and now we are told that the new Director will not be in service until nine months time. Why is that?

HON J B PEREZ:

Mr Chairman, I have not said that. What I have said is it is anticipated that the new Director will take his post in July, it is expected. What I am saying is that it is very difficult to give a firm date in this House because for reasons that are outside my control it may well be that a new person is not recruited till June or July.

HON G T RESTANO:

Can I ask the practical aspects of this? The post has been advertised, when is the closing date and how long does the Minister consider that it will take before the applications are put before the Public Service Commission?

HON J B PEREZ:

I think the closing date was the end of this month, I think it has just ended. I anticipate that the Public Service will meet within a month. In other words, I do foresee that the new Director will take his post, as I answered the Hon Member in a meeting of the House, in June or July. That is the Government's intention and it is something that the Government will pursue.

HON G T RESTANO:

I am a little worried on this side, Mr Chairman, that there has been a slippage, that the Director should vacate his seat in June, 1982, and that the new Director may not be in post by then from the statements made by the Minister and I would urge that urgency be given to this matter and any red tape should be clamped down upon by the Minister and by his colleagues and would he give his assurance that he will try to do this?

HON J B PEREZ:

Mr Chairman, I do not think it is correct to say it is a matter of red tape. The position is very clear. The advert appeared both locally and in the United Kingdom, applicants have applied, the closing date was the end of this last month, it is now up to the Public Service Commission to meet and to decide who will be the new Director of Medical and Health Services. It is not a matter of red tape.

HON G T RESTANO:

But wasn't it a matter of red tape that the adverts should have gone out so late?

HON J B PEREZ:

No, Mr Chairman, as I answered in the House there was a slippage of a few months for the advert to come out because of the review of the senior grades.

Personal Emoluments was agreed to.

Other Charges

HON G T RESTANO:

Mr Chairman, under subhead 9, Drugs, Dressings and Pharmaceutical Sundries. I notice that the difference between the revised estimate for 1981/82 and the estimate for 1982/83 is a mere £1,000 increase on a vote of £660,000. I wonder whether this is accurate estimation, whether in fact there are cuts being implemented by the Government or whether it is obtaining its sources of supply at cheaper cost.

HON J B PEREZ:

Mr Chairman, this is a bona fide estimate by the Department of what we anticipate we will need for this coming financial year. I take the point raised by the Hon Member that the increase between what it is estimated we will spend and need for 1982/83 is only an extra £1,000 from the revised but this is following the present trend and the present cost to Government.

HON G T RESTANO:

May I ask what the Minister means when he says the present trend? Does this mean that he intends to spend less or does he intend to spend the same amount for less goods because of the inflation element?

HON J B PEREZ:

Mr Chairman, it is not a question of buying less or buying more. We have to estimate how many number of items doctors are going to subscribe to individuals. It is, indeed, a very difficult exercise to carry out but I would say that in the past the Department has more or less stuck to its estimate but there is nothing sinister about the extra £1,000, we honestly feel it is a bona fide estimate for the year.

HON G T RESTANO:

I do not think the Minister has answered my question. Last year we spent £660,000 on this subhead. He is estimating that next year we will be spending only £1,000 more. I ask the question again, does he consider taking inflation into account, that he is going to spend more money for fewer goods or that he is going to obtain those goods cheaper?

HON J B PEREZ:

Mr Chairman, I will repeat the answer I gave. It is the department's view that \$661,000 is a fair estimate.

MR SPEAKER:

It will cover your needs, is that what you are saying?

HON J B PEREZ:

Well, if it doesn't we have to come for supplementaries as we did last year but it is a bona fide estimation by the department.

HON G T RESTANO:

I will just predict, Mr Chairman, that as very often in the past there has been an underestimation and that we will be subjected to supplementaries throughout the year. Would the Minister not agree that that will probably be the case?

HON J B PEREZ:

Mr Chairman, I cannot say whether that is going to be the case or not. These are estimates, we estimate we will need the sum specified in the estimates, I cannot take the matter any further.

HON A J HAYNES:

On this subhead, does this take into account the effect of an open frontier which may result in more people requiring medical treatment and being entitled to free medical treatment on the grounds that they are EEC Nationals?

HON J B PEREZ:

No, Mr Chairman, it does not.

HON A J HAYNES:

Has the Minister any idea of what we could be in store for if the frontier opens?

MR SPEAKER:

No, I am not going to allow that. We are estimating cost of expenditure as envisaged by the Government.

HON A J HAYNES:

Mr Chairman, is there any provision in these estimates, taking into account the rights of nationals living outside Gibraltar who may come as a result of the opening of the frontier?

HON J B PEREZ:

Mr Chairman, if the Hon Member is referring to United Kingdom citizens who are residing in Spain, let me assure the House that, no, they are not entitled to treatment under the Group Practice Medical Scheme.

HON G T RESTANO:

Can the Minister say how he monitors the amount spent? Are we paying too much for what is being purchased? How does he monitor whether he is getting the best prices for what we are purchasing?

HON J B PEREZ:

Mr Chairman, do I take the questioner to mean the part referring to Hospital drugs or is he referring to the Group Practice Medical Scheme? Within the Drugs, Dressings and Pharmaceutical Sundries, subhead 9, the sum of \$661,000 is subdivided into two, it is divided into drugs and medicines under the GPMS and also for the Hospital.

MR SPEAKER:

You are being asked what measure of control is exercised in the spending of this money.

HON J B PEREZ:

But I would like to know for which side, is it the Hospital side or the GPMS?

HON G T RESTANO:

For both, Mr Chairman.

HON J B PEREZ:

As far as the Group Practice Medical Scheme is concerned, Mr Chairman, the accounts are submitted by Pharmacists on a monthly basis and they are closely scrutinised by the Head Pharmacist and his staff. That is the control in that respect apart from the fact that the wholesalers, the importers in Gibraltar of medicines, are required to submit their invoices to us and we check on the invoices to see that we are paying the wholesale price and it is a price which we consider to be fair and that we are not being taken for a ride. That is as far as those are concerned. As far as the Hospital drugs are concerned, Mr Chairman, in this case we buy either direct from the United Kingdom or we purchase through local agents.

HON G T RESTANO:

Mr Chairman, on the question of the imports for the GPMS and so on the Minister has said that they accept what they consider to be fair. On what basis do they judge the fairness of the wholesale price?

HON J B PEREZ:

Mr Chairman, the invoices are presented from the manufacturers. When a Pharmacist imports into Gibraltar a particular quantity of drugs or medicines, we are given the manufacturers invoice and we look at that and we also obviously have the Chemist and Druggist and we compare prices but, as I say, we rely on manufacturers invoices.

HON G T RESTANO:

Is the Minister aware, Mr Chairman, that very often manufacturers prices are subject to special discounts, that happens very often? Are these applied to these invoices?

HON J B PEREZ:

Yes, Mr Chairman, not only that but I would inform the House that for exports purposes in the United Kingdom, certain drugs are given a certain reduction, for example, a particular drug being exported from the United Kingdom to Gibraltar in fact the drug is much cheaper than what it would be in the United Kingdom, I am aware, yes.

HON A J HAYNES:

Mr Chairman, can the Minister confirm whether or not a Gibraltarian is entitled to free medical treatment within a Common Market country if that is required?

HON J B PEREZ:

A Gibraltarian, yes.

HON A J HAYNES:

Then why, Mr Chairman, is the Minister so confident that British expatriates in the Costa del Sol will not be entitled to the service?

MR SPEAKER:

Because they are not resident in the United Kingdom, it is a question of residence.

HON A J HAYNES:

If these British tourists are in fact on holiday in the South of Spain then they would be entitled to medical treatment in Gibraltar, am I correct?

HON J B PEREZ:

If they come on holiday to Gibraltar then they would be entitled but the point I thought that the Hon Member wanted clarification on, Mr Chairman, was on those British Subjects who are residing in Spain or in Morocco. Those, let me say quite clearly, are not covered by our local Health Scheme.

MR SPEAKER:

We are going to leave it at that because this is not in any manner or form related to the vote.

HON A J HAYNES:

May I ask one other question for your ruling? Will the circumstances change if and when Spain joins the Common Market?

HON J B PEREZ:

Mr Chairman, if and when Spain joins we will have to look at the matter again. I can only inform the House of what the situation is today.

HON A T LODDO:

Mr Chairman, on subhead 12, Fuel. I notice that when we were doing the Electricity Undertaking, fuel had gone down by £105,000. It is surprising to me that fuel here has actually gone up. We have been told that the cost of fuel is going down yet here we see that fuel is going up. Can I ask the Minister to explain why?

HON J B PEREZ:

Based on present cost, Mr Chairman. Fuel consists of (1) lubricating oil (2) butane and (3) fuel oil. The figure appearing in the estimates presented to this House, Mr Chairman, are in fact what the current costs are to us and if it goes down, of course you will see at the end of the year in the revised estimates that we have spent less.

HON G T RESTANO:

Subhead 17. I see that there is an increase in Courses of Training in the United Kingdom. Perhaps the Minister would like to take this opportunity to explain what this increased training is?

HON J B PEREZ:

Yes, Mr Chairman, this really arises mainly from the Government's policy to try and get automatic registration for our local nurses and recognition of our training school. We have our Principal Tutor in the United Kingdom undergoing training and we are also encouraging local nurses to take up more special courses like midwifery and other matters.

HON G T RESTANO:

How many persons are in fact taking advantage of these courses?

HON J B PEREZ:

Mr Chairman, I can give an average estimate, around twenty people are involved.

HON G T RESTANO:

I would take the opportunity of congratulating the Government on this policy. I think it is a good one. However, on the next one I may not. I would like to know the details of the expenses of visiting Consultants.

HON J B PEREZ:

Mr Chairman, the first point I have to raise on this particular item is that this includes two things. One is the visiting Consultants and the other is locums, they are both included. This was announced last year in the House by myself because prior to that locums were in fact included under Personal Emoluments and it was thought that it was better to include it under Other Charges. The breakdown is as follows: For visiting Consultants it is anticipated that we will spend around £19,000, the remainder we intend to spend on locums but this is really an estimate, these are only estimates of what we foresee will be the number of visits that will be required throughout the year. We anticipate around twenty-four but let me say, Mr Chairman, quite clearly that it is the Government's policy that visiting Consultants are brought over to Gibraltar as and when needed. The Government, as far as it is concerned, although one has to tighten ones belt but if we have a certain number of patients and it is imperative that we have a visiting Consultant then the Government will bring one over.

HON G T RESTANO:

Mr Chairman, I asked for details of this vote. Could I have those?

HON J B PEREZ:

Mr Chairman, the only details that I can give is that if and when a visiting Consultant is required to come to Gibraltar we bring him over. These are only estimates. Each one earns £800 per visit. It may well be that we may need fifty visits, it may well be we only need five.

HON G T RESTANO:

It is £800. Do I take it the services of the Hospital and the fees that are charged by them to their private patients?

HON J B PEREZ:

Mr Chairman, what they charge to their private patients has nothing to do with the Government.

HON G T RESTANO:

Are the officers of the Medical Department not used for the treatment of these private patients so therefore should it not be in fact very much the interest of the department what happens with the private patients?

HON J B PEREZ:

Mr Chairman, the interest of the department is very clear and I have informed this House on many, many occasions. As far as the Government is concerned, provided the visiting Consultant sees and treats all our patients it does not matter how many other private patients he sees.

MR SPEAKER:

You have been asked a simple question. Are the facilities of the Hospital used by visiting Consultants?

HON J B PEREZ:

Yes, but in order to save time I am anticipating Mr Restano's next question.

HON G T RESTANO:

But he has not answered my question.

HON J B PEREZ:

The answer is yes.

HON G T RESTANO:

So it is not what the Minister has said before that it has nothing to do with the department. These private patients, surely, have a lot to do with the department, would he not agree?

HON J B PEREZ:

Yes and no, Mr Chairman. I cannot give a straight answer to that.

HON G T RESTANO:

I have been asked to say why not but I will put it another way. How many of the staff in the Department are used to monitor and to make the appointments etc, for the private patients for these doctors when they attend to patients privately?

HON J B PEREZ:

First of all, the nurses would be used and whoever is in charge of that particular Department within St Bernard's. On average, one per Consultant.

HON G T RESTANO:

How much time would they devote to this? Would they not only take the appointments but would they regularise when the patients actually arrive at the Hospital and ask them to wait and look after them and so on?

HON J B PEREZ:

The answer is yes to the extent that we also deal with our local Consultants who are entitled to private work under the conditions of employment.

HON G T RESTANO:

My worry, Mr Chairman, and I will ask it this way, is that I get frequent complaints from patients who say that they are told that to see a Consultant takes a lot of time if they are to be seen through the GPMS but if that patient is to become private

MR SPEAKER:

With due respect, that is a question that can be asked, whether patients who are going to see Consultants are put aside in order to give preference to private patients, that is what you are asking.

HON G T RESTANO:

I am prefacing that, Mr Chairman, because I know that the Government has always said that this is not the case but I am saying that patients have come to me and said they have been told: "Yes, you may have to see the Consultant but if you want to see him the next time he comes round, see him privately, otherwise you have to wait for two or three visits time". Will the Minister try to comment on that situation?

HON J B PEREZ:

I will certainly do, Mr Chairman. It is unfortunate that Mr Restano has received frequent complaints and not brought a single one to my notice. I have not had a large number of complaints about this practice and as far as I am concerned I do not believe this is in fact happening.

HON G T RESTANO:

I will answer that, Mr Chairman. The Minister I think is being very cynical in this because a patient whose worry is to be able to see the Consultant does not wish to have his name named. He knows perfectly well that he is putting himself in a difficult position, he does come with a complaint and the Minister should know that.

HON A J HAYNES:

Subhead 20, the Maintenance and Running Expenses of the Markets. Is there a reason why this should go down, Mr Chairman?

HON J B PEREZ:

Mr Chairman, this is really as a result of essential equipment having been purchased last year and thus saving for this particular year, it is not estimated that there is a rundown in the level of services, not at all.

HON A T LODDO:

Mr Chairman, may I ask what is this essential equipment?

HON J B PEREZ:

I have the information. One was the fridge, Mr Chairman, a fridge was purchased. As far as the department is concerned it is not intended to bring the services down it is just that we can do with less money than last year.

Other Charges was agreed to.

Special Expenditure.

HON G T RESTANO:

May we know what new equipment is being purchased, Mr Chairman?

HON J B PEREZ:

Yes, Mr Chairman, our number one item on our priority list is a new operating table complete with accessories. The Department is also intending to purchase a foetal monitor and also a scanner for the Maternity Department. Those are the main items of equipment that the Department will be purchasing this year.

HON G T RESTANO:

Did I hear the Minister say in his speech during the second reading that a coulter counter was to be purchased?

HON J B PEREZ:

Yes, I beg your pardon, and a coulter counter.

HON G T RESTANO:

I am glad about that. Can I ask how the decision has been taken to purchase it now when two or three years ago they were absolutely convinced that this equipment was unnecessary?

HON J B PEREZ:

Mr Chairman, it is always a matter of priority, one has priority of what equipment is needed for the Hospital. If I had £4m to spend then I would buy other items of equipment but the Department is quite happy to do it on an annual basis and I would say that the equipment we have is quite good.

HON G T RESTANO:

I am glad to see, Mr Chairman, another example of the Opposition suggesting things, opposed by the Government, and then 2 years later coming back and doing exactly what they were told to do in the first place.

HON A J HAYNES:

Is the Minister aware that in fact he has £4,600,000 to spend? Is the Minister aware?

HON G T RESTANO:

May I also ask what the £18,000 for the disinfection plant is?

HON J B PEREZ:

Mr Chairman, this disinfection plant, I in fact informed the House when I made by contribution during the estimates, so I will reiterate what I said. The need for this disinfection plant which incorporates its own boiler is to replace the existing one which we purchased in 1892.

MR SPEAKER:

May I say that you should flog that one as an antiquity.

HON J B PEREZ:

Well, it is a very old one and it is completely out of use.

Special Expenditure was agreed to.

HON J ZAMMITT:

Mr Chairman, may I have your indulgence before we go on to the Police. The Honourable Mr Andrew Haynes earlier this morning, wanted some information under Item 9, Head 8, page 41, on Rent Relief. He wanted to know the number of people on Rent Relief, and the answer is in Government dwellings we have 250 dwellings on Rent Relief and in the private sector about 50, and there we say about because it fluctuates between 48 to 52.

HEAD 15 Police - Personal Emoluments.

HON A T LODDO:

Mr Chairman, on the Personal Emoluments, could the Government explain how with an increase in the establishment of 17, albeit temporary, they are estimating for £116,500 for overtime and £113,300 for allowances for 1982/83?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, the actual increase in the number of police is 25 because there were 8 vacancies so that although only 17 are shown in the increase in the establishment, the actual additional number of police is 25.

HON A T LODDO:

Yes, Sir, but I cannot understand how with an increased staff of 17, we still have to make provision for £116,500 for overtime and £113,300 for allowances. Does this mean that even with the increase of 17 temporary constables, the Police Force is still considered to be under-manned?

HON ATTORNEY GENERAL:

On the question of allowances, Sir, there is a large element of that which is for rent and accommodation. Rent allowances, that is part of the terms which the police are entitled to under the doctrine of parity and that explains a large part of the allowances.

HON A T LODDO:

Mr Chairman, that explains a large part of the allowances but I have not had a satisfactory explanation on the large amount of the overtime, £116,500, and the staff has been increased by 17. My question is, does the Government consider that even with an increase of 17 constables, the Police Force is still under-manned and will they be needing more?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There is a possibility that if the frontier were to open additional police would be required. It would be for the Commissioner of Police to make a case if he requires them. On overtime, last year, when the police pay had such a significant increase, overtime was reduced from 5 hours to 2 hours a week and it is proposed to drop these two hours overtime in July this year when the police get their next pay award. The balance of the overtime is for working on public holidays and at weekends or at special events when police are required to turn up.

HON A T LODDO:

Mr Chairman, if my memory serves me right, when the Lisbon Agreement was signed and the MOD took over the policing of the Dockyard, a number of police officers were released from that duty so that they could take over more general police duty. Does this mean that even with those officers who were released from Dockyard duty and the 17 extra that have been taken on in the light of the possible frontier opening, does this mean, Mr Chairman, that more policemen will still be required?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I thought I had answered that question already. I think I said that if the frontier opens and if the Commissioner of Police makes a case for additional police the Government would consider it. I am not saying there will be more police what I am saying is that it would be considered. On overtime, for public holidays there is double pay time for officers on duty and it comes to some £52,000, immigration for airport screening and security control is some £6,000 for special duties, process serving, courts, enquiries, public order and processions and ceremonials £32,000 and Telephone Operator nearly £1,000.

HON P J ISOLA:

As the frontier has not opened, the Commissioner of Police must for the first time, possibly, in many years in Gibraltar feel fairly comfortable with his complement. Would it not be a good idea whilst the frontier is still closed for the police to dedicate themselves a little more to applying the law, for example, with dogs loose and also on the litter side, I would have thought that with more policemen available they should be able to dedicate themselves to these tasks which although they might appear to be menial, could do a lot to improve the cleanliness situation in Gibraltar and the way it looks, not just for the people themselves, but for the tourists when they come to Gibraltar. It seems to me that if we have got more policemen, they have been taken on, admittedly, with the open frontier in mind, it seems to me that if that frontier is not going to open or hasn't opened or will not open for a while, that we should know what they are doing and what they are going to be doing. They should be doing something that is worthwhile to the community and I would love to hear some assurances on the question of dogs and of keeping Gibraltar tidy.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, when it was known that the frontier re-opening was to be postponed, the Commissioner of Police made arrangements for all officers on duty to take annual leave subject to the normal duty commitment before the opening of the frontier. Up to that time no officer had been allowed to take leave. Recruits who had joined were sent to a complete full training course, they had only been given a part training course. Eleven police reservists were to be given full training instead of 2-week crash course that was proposed. There had been a re-instatement of monthly 1-day continuation of training lectures for experienced sergeants and constables and further basic training courses have been arranged. In addition, airport security arrangements have been improved, and I wrote to the Commissioner of Police on receiving this letter, drawing his attention to the need to cut-back on overtime in view of the fact that he had 25 additional men. He said that I would expect his overtime bill to be reduced significantly as a result of this. But I have no specific remarks made by the Honourable Leader of the Opposition.

HON ATTORNEY GENERAL:

I would like to add something, if I may. I am sure the Honourable and Learned Leader of the Opposition knows that police work is dealt with on complaint and to my knowledge I am not aware that complaints are being made and are not being actioned. If people are discontented about the degree of untidiness or the enforcement of the dog laws, they should complain about it and I am quite sure that the police will respond to their complaints.

HON P J ISOLA:

Could we all complain here and now, Mr Chairman, because that position seems to me odd. A policeman walks around in the street, surely, if he sees litter outside a door, an offence has been committed. Does John Citizen have to complain about that litter before he takes action. And with dogs running around without muzzles or whatever, surely the policeman on the beat knows that that is an offence. Does he have to wait for a citizen to complain. Why is he there? If he sees somebody going into a shop and shoplifting does he do nothing? We have had this answer before that is why I raised it now. Before we could understand it was lack of manpower but I think with considerable manpower now I think people expect a policeman to stop somebody who, for example, drops any rubbish in the street and point out an offence to him. Surely the police can't take the comfortable attitude until somebody complains about a loose dog that they are not going to do anything about it. We are complaining here about all the loose dogs that are in Main Street, Mr Speaker, to no less a person than the Honourable and Learned Attorney-General, perhaps he could action it?

HON ATTORNEY GENERAL:

Obviously, if the Opposition is concerned about that, that concern will be conveyed to the police. But, really, to my knowledge, the police are a conscientious police force and I think there are priorities and they must to some extent judge what they think the immediate need is. Certainly, if there is concern, it will be conveyed but at the end of the day most cases come down to the fact that somebody does have to give evidence, make a complaint and give evidence.

HON MAJOR R J PELIZA:

Mr Speaker, may I reiterate the point raised by the Honourable Leader of the Opposition as regards dogs. I was nearly had for breakfast by an alsatian one morning so I know how frightening those dogs can be and since I do move about a lot on my own two feet in Gibraltar or on two wheels, I do see a considerable number of dogs and I can tell you that on Sunday I saw three alsatians moving about and perhaps if the police were on their feet or on bicycles rather than in cars and motorcycles, they might be able to but we will come to that later, Mr Speaker. On the question of the expenditure, Police Cadets, I see that it has gone up by £2,700, I fully support the idea of having Police Cadets but could we be told how many people are involved and what is their function at the moment?

HON ATTORNEY GENERAL:

As far as I understand, the Police Cadets, Mr Chairman, it is really a trainee role obviously, it is a way of orientating people into the Police Force. I understand this year the number of Police Cadets has actually been reduced, I think.

HON MAJOR R J PELIZA:

If the Honourable Attorney General hasn't got the information now, perhaps he could give it to me later. I am very interested to find out what they actually do.

HON ATTORNEY GENERAL:

I think the functions of a Police Cadet are well known, it is a trainee period, a probationary period, if you like, before you become a fully pledged Police Constable. I did understand that the number of cadets has dropped this year. As against that, I think the pay increase for police would account for the increased expenditure but I will check and find out.

HON MAJOR R J PELIZA:

The other one is, Mr Speaker, that I raised some time back the question of the possibility of reviving the special constabulary which perhaps might be of great importance in the future and I was told that that was a matter that was being taken into account. I see no provision for that, at least I don't think there is any provision for this and since it appears that the number of policemen required is at this very moment a very great question mark if the frontier opens and particularly I think it might be found that there might even be cases of emergencies, where obviously one may have to have a contingency plan of some description, is the Government taking all those things into account, Mr Speaker. I am just trying to stress the importance of it.

HON ATTORNEY GENERAL:

The position is that no commitment has been made to have special constables but it is an item which the police are keeping under review, having regard to what could happen over the next few months but at the moment no such provision has been made.

HON MAJOR R J PELIZA:

Would I be right in saying that since you have not put a token sum no serious consideration is being given to the matter?

HON ATTORNEY GENERAL:

The matter has been given serious consideration.

HON G T RESTANO:

There is one thing I don't understand. In answering the question on allowance, the Honourable and Learned the Attorney General said that this was rent allowance but what I would ask him to explain is, the increase in policemen has been 17, which is an increase of 9%, and yet the increase in allowances of £36,700 represents an increase of 48%. This doesn't seem to equate, at least I can't understand it, could he perhaps elaborate on that?

HON ATTORNEY GENERAL:

All I can say, Mr Chairman, is that it is allowances for policemen who don't have their own Government quarters and in my understanding it is an allowance to which they are entitled under the principle of parity.

HON G T RESTANO:

But surely, Mr Chairman, what happens with rent allowances is that either a policeman is given a flat rent free or if there are no flats available, he is given a certain amount of money to cover the rent, whatever the rent is. What I cannot understand is that if for 196 policemen the allowances are £76,600 as occurred last year, how this year just for just a paltry 17 more the increase should be £36,700. It just does not seem to make sense.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I think that one of the confusing points here is that previously we had not allowed in the allowances for the income tax payable to the Commissioner of Income on the rent allowances. This is a technical matter that although the police gets the allowance income tax free, tax has to be paid on it to the income tax authority and I think if my memory serves me well we did have to introduce a supplementary the last year to pay this. There is a breakdown in these allowances, it is basically a plain clothes allowance for officers, Inspectors and Chief Inspectors, Sergeants and Constables which comes to just over £7,000 a year. Mileage Allowance, Temporary Duty, Instructors Proficiency Allowance, Protective Expenses, Specialist Allowances, and Subsistence Allowance payable to Officers to Blands for Immigration Officers who travel on the vessel between Morocco and Gibraltar, that comes to nearly some £13,000. And then the great bulk, about £78,000 of this amount is rent allowances. Of the £46,800 is payable to the officers and £31,200 is payable to the Commissioner of Income Tax. So that the nett amount here on allowances is about some £80,000 odd.

HON G T RESTANO:

The Honourable Financial Secretary has the advantage over me, certainly, that he can compare the figures that he has with the figures of last year which I cannot obviously in the breakdown figures, but if the great bulk of the difference is on Income Tax perhaps he could explain why has the vote increased? Isn't that Income Tax re-imbursed by the officer? I have not quite understood his explanation.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am sorry, Mr Chairman, and I apologise to the Member if my explanation is not as clear as it might have been. Police Officers get their accommodation free. If they are in Government Quarters they don't pay any rent and that is free. If they are not in Government Quarters they get a rent allowance. They get that rent allowance net of tax, but the Police Department must pay the tax on that money, the Police Vote must pay the tax to the Commissioner of Income Tax so that you've got a Rent Allowance payable to officers of £47,800. You gross that up and it comes to £78,000 and that means that the Police Vote pays to the Commissioner of Income Tax £31,200.

HON G T RESTANO:

If that Income Tax paid by the Department was not shown in the estimates in the past, where was it shown? If it wasn't shown in the allowances in the past, where was it shown?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, a mistake was made. The Treasury and the Department did not provide in the estimates for the full tax amount to be paid to the Commissioner of Income Tax and this is why, if my memory serves me well, we did introduce supplementary provision last year to take account of the tax to be paid on this allowance. The difference arises basically because of an error in the past.

HON G T RESTANO:

Was this a recurrent error or was it just last year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Since the rent allowance was introduced in 1978.

HON A J HAYNES:

Does this estimate allow for any increase in tax bands to be introduced as a budget measure?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If there were to be an increase we would have made an adjustment.

Personal Emoluments were agreed to.

Other Charges.

HON MAJOR R J PELIZA:

Mr Chairman, Item 3, I notice that the Running and Maintenance of Vehicles has gone up by £3,100 but what I find of interest is that the actual expenditure in 1980/81 was supposed to be £17,966, and then the approved estimates for 1981/82 came down to £14,900 and now we find it has gone up to £18,000. I wonder if an explanation could be given for that and if I may go further down we find that there were purchases of vehicles, which was £15,000 in 1981/82 and which at the end came to £15,200, and I find, another £8,700. Wouldn't the Government consider the amount of expenses on the movement of police vehicles and the importance that is being attached these days in Britain that the police should be on the beat on their feet and also could they see if they could substitute in many instances a motorcycle by a bicycle?

HON ATTORNEY GENERAL:

Well, it is a matter that could be considered, but I think one must also bear in mind what some of those big vehicles are for. There are ambulances, there are traffic vehicles, motorbikes, for traffic purposes, there are vehicles to move the policemen around and indeed to move prisoners around. Those things, I think, the Honourable and Gallant Member will agree are essential. I am aware that there are a number of patrol vehicles, I cannot say that they are not essential, I am sure that the police do regard them as essential. I think the thrust of the comments of the Honourable Member is to have regard to the importance that is being placed these days on the policeman on the beat and that is something which can be looked into.

HON MAJOR R J PELIZA:

Particularly in a small place like Gibraltar, Mr Chairman.

MR SPEAKER:

We must not start debating. You can ask a question and you have been given an answer but let us not debate.

HON MAJOR R J PELIZA:

Mr Speaker, it is very difficult. If I were to have gone into these details at the Second Reading perhaps they might have said to me that this was a matter that should be raised at the Committee Stage.

MR SPEAKER:

With due respect to the Honourable and Gallant Member. You are definitely entitled to ask whether it would not be better instead of patrolling on motorcycle to do so by bicycle, but let us not turn it into a debate.

HON MAJOR R J PELIZA:

It is not a question of a debate, Mr Speaker. The Honourable Attorney General has just said that obviously all these vehicles are required. If one looks back, Mr Speaker, the Police were very efficient in Gibraltar and I think carried out their task without as many vehicles as we see today. The place has not stretched, it is the same area.

MR SPEAKER:

You are debating, in other words, you disagree with his view and you want to press yours and this is not the time to do it. I accept what you are trying to say but now we are dealing with particular items and the advisability of spending money on a particular subhead.

HON MAJOR R J PELIZA:

With all due respect, I just don't know when I can raise this matter.

MR SPEAKER:

With respect, one is not objecting that you should raise it. What one is objecting to is that one should debate once you have been given an answer. You feel that patrols should be done by bicycle, the Honourable and Learned Attorney General feels that it should be done by motor cycle and unless we leave it at that because there is a divergence of opinion, we have got to debate.

HON ATTORNEY GENERAL:

With respect, Mr Chairman, if I may. I was merely saying that there are certain things that have to be done which seem to be to require vehicles but I also did say that I note the importance that the Opposition places on having emphasis on policemen on the beat.

HON MAJOR R J PELIZA:

Perhaps the Attorney General would like to give one, Mr Speaker, I have written an account of what the vehicles are for, how many vehicles there are, and what they are supposed to do, I would be very grateful to hear about that.

HON A J HAYNES:

I have something on Subhead 10. Can we have an explanation of this traffic control?

HON ATTORNEY GENERAL:

Mr Speaker, this was the work that was undertaken in dealing with marking the streets, putting in traffic signs, the general work which I think is fairly visible, which has been taking place in connection with the opening of the frontier. That is what the item relates to.

HON A J HAYNES:

Am I to understand, therefore, that the conversion of the round about, the installation of traffic lights and all the painting has been covered by the sum of £16,500?

HON ATTORNEY GENERAL:

It represents the Police input into that activity. It is not the same thing as saying that is the total cost of it all.

HON MAJOR R J PELIZA:

Mr Chairman, Item No.12, I notice that in 1980/81, the cost of the maintenance of radio equipment was £2,662 and it is now £5,000, almost double. Can an explanation be given to that?

HON ATTORNEY GENERAL:

The breakdown of the items is; for hiring beepers and services £1,000; getting spare parts for present wireless equipment £2,500; technical advice and services on wireless equipment £2,000. I think that covers it.

HON A T LODDO:

Mr Speaker, I would like to raise Sub-Head 21. I would like to ask what the special equipment referred to therein is?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is the equipment used by the Police for confidential purposes and the reason for it is not disclosed normally in the estimates. It is specialised equipment for detection of crime which we don't normally disclose.

HON A J HAYNES:

Mr Speaker, on the traffic control, the police input. Can the Attorney General give us an explanation of what that police input consisted of or will consist of?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

First of all, there is a contract for disposal of derelict cars and the estimate is that 1,000 derelict cars will be disposed of during the year, and that will cost £6,500, but then there is the contract for the road signs and I think that the breakdown comes between the signs which are put up by the Police, they are done by the workmen of the Public Works Department but the cost is met from the Police Vote, and the actual work on the roads which is done by the Public Works Department. The Honourable Member may have seen there are very many more directional signs at the moment within Gibraltar which are for traffic direction as opposed to the lines on the road that tell you that you are heading north or south or whichever way you are heading.

HON A J HAYNES:

Why do the police get paid for this I don't follow? If the Public Works do the work why should the Police vote be used.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Because the police are responsible for direction of traffic, essentially. It is a good question this, and it is one which we have asked ourselves, whether or not all this money ought not to go into PWD where the work is done but at the moment the breakdown is that if it is direction of traffic it is police and it is borne on the Police Vote.

Other Charges were agreed to.

Special Expenditure.

HON MAJOR R J PELIZA:

Mr Speaker, Item 81, Purchase of Radio Equipment, I notice that in 1981, we spent nearly £3,000 on radio equipment, then 1981/82, £10,000, and now another £5,000. It is a lot of money on radio equipment. I wonder if the Attorney General could give us an explanation.

HON ATTORNEY GENERAL:

This is a programme to update radio equipment. Mr Chairman, by your leave, might I answer a question that was raised before in which a written reply was asked for which I will certainly give,

but I can give a break down of this. The fleet at present consists of three Ford vans, and I understood two of those are ambulances and of those vans at least one can be used for carrying personnel around or carrying prisoners. Although 4 patrol cars, one Ford and 3 Toyota patrol cars, 1 Land Rover which is used for towing any derelict vehicles and 8 motor-cycles, but I will confirm that in writing.

HON MAJOR R J PELIZA:

I am very grateful to the Attorney General for that. This programme that the Attorney General is talking about, for radio equipment. I hope it is not an open-ended programme, that is a limit to where you can go.

HON ATTORNEY GENERAL:

It has got to be approved each year, obviously.

HON MAJOR R J PELIZA:

Item 82, Purchase of an ambulance. Is it another ambulance?

HON ATTORNEY GENERAL:

There are, in fact, 2 ambulances and this is a programme of replacement of the ambulances. This is the order of one during this financial year to replace one of those and then I believe the proposal is to replace the other one the following year. They are being replaced by the same type of ambulance that Gibraltar now has.

HON MAJOR R J PELIZA:

Mr Chairman, I hope you will allow me to say that although I have been scrutinising this expenditure this in no way means that I do not very much admire the Police Force, and we are extremely lucky to have the Police Force that we have and therefore my questions do not in any way reflect any criticism of the Police Force itself. I am indeed extremely proud that we have such a wonderful Police Force.

Personal Expenditure was agreed to.

Head 16, Port - Personal Emoluments.

HON A J HAYNES:

Mr Speaker, on the Port, these extra bodies, do they entail Port management structure in line with the Report given by PEIDA?

HON A J CANEPA:

The Honourable Member might recall that the PEIDA Report gave three alternatives, either the setting up of a statutory Port administration, which the Government did not accept; setting up a separate cargo division, which the Government did not accept, or employing a Port Manager. Well, instead of calling the post Port Manager, the intention is to cover that by the post of Dock Controller and he has two assistants and they are the three additional posts in the establishment.

HON A J HAYNES:

What are they called?

HON A J CANEPA:

Dock Controller and Assistant Dock Controller.

HON MAJOR R J PELIZA:

We obviously have been using the Port for a long time without Dock Controllers and Assistant Dock Controllers. Is the Minister satisfied that suddenly we need three extra bodies?

HON A J CANEPA:

There has been a fair amount of criticism about the need to have more tidiness in the Port, particularly because of the haphazard manner in which containers were left around the Port, beer barrels were being stacked in all sorts of places and I think there has been general agreement that a clean-up campaign was also required in the Port, and these are the full-time people who it is intended will look after these matters.

HON MAJOR R J PELIZA:

The Minister, obviously, does go round the Port and I always make it a point when I come here to go round. Have these new posts already been filled?

HON A J CANEPA:

No, they have not been employed yet.

HON MAJOR R J PELIZA:

May I say that there has been a great improvement in the Port, a tremendous improvement in the last three months but there is still room for a lot of improvement. Yesterday, I noticed that where the sand is being unloaded, I don't know why but the sand is right across the road leading to the liners and I

saw people coming from the Vacationer, which is a small cruising liner, and they had to step over this sand which was right in the middle of the road. Quite honestly, whilst I see the point that perhaps an extra person might be required to enforce some kind of order in the Port, it seems to me an exaggeration to have three persons to do that.

HON A J CANEPA:

On the question of sand, No.4 Jetty was taken over from the MOD recently and the shed there has now been demolished and therefore it is intended that this area of No.4 Jetty will be used both for gravel and sand storage, and no further discharge of sand on the cross berth will be permitted once everything has been properly put in place and we hope that there will therefore be no need for any spillage of sand on to the roadway.

HON MAJOR R J PELIZA:

But the Minister still believes that he needs three persons, three persons to do that sort of thing?

HON A J CANEPA:

I agree with the Honourable Member that there has been a considerable improvement in the situation in the Port in the last 3 or 4 months and we will not take three on. The intention was never to employ the three on at the same time. We were starting with the Dock Controller and one assistant and then, if need be, we would have employed a second one. The intention had been to have had the Dock Controller only in post before the estimates came to the House and again to assess the situation beforehand but there has been a dispute with the Union about the recruitment to the post and the whole matter has therefore been held back by 4 or 5 months. It could well mean that if matters continue to improve in the Port we may not go ahead with the filling of the post.

HON P J ISOLA:

I would disagree slightly with my Honourable and Gallant Friend. I also walk round the Port and I found the container parking area to be in a bit of a mess, with containers very haphazardly parked.

HON A J CANEPA:

And it will continue to be until we have somebody there round the clock, as it were to keep an eye on things, and until we have an unstuffing shed.

HON A J HAYNES:

The Minister must be aware of the Port Study Report and the comments they made on proposal No.1, which is the Dock Manager. If I may read from it for comments from the Minister because it seems that they were right. "The effect of this action i.e. appointing a Port Manager, would be to delegate the powers of the Captain of the Port to exercise control over cargo operations, such as they are, to a specific officer of the Port Department without giving him the means of effecting good management. It is also doubtful what charges, if any, could be raised to pay for his services unless this additional cost or expenditure could be covered by an increase in the present tariff structure. This option would be likely to lead to problems with the Port operators and might possibly involve differences of opinions which would be difficult to solve.

MR SPEAKER:

What are you asking because we must not debate.

HON A J HAYNES:

I was not trying to do that, Sir. The questions that arise from this are, is there any indication that there will be an increase in the present tariff structure?

HON A J CANEPA:

I think when we accepted the Report, it had in mind to implement the increases in dues and charges recommended in the Report but we did not think that the timing was good, we thought that we should allow the frontier to open and we should see after 6 or 7 months how matters were proceeding. I don't think that the time is ripe, that the situation is opportune for the Government to consider introducing the charges which are recommended in the Report.

HON A J HAYNES:

I am glad for the answer given, I think his judgement is sound, that this is not the time to further burden the Port. The other question is, is this structural option temporary or is it what he would like to see as the basis for a re-organised Port, or is he hoping eventually to introduce a statutory body?

HON A J CANEPA:

I am very loath to introduce a statutory body. It would be a step that I would hesitate to make. I am very cautious about that.

Head 16. Port - Personal Emoluments were agreed to.

Other Charges.

HON MAJOR R J PELIZA:

Item 12, Rent and Berthing Charges, I notice that they have come down, I welcome that, I wonder if the Minister can explain why?

HON A J CANEPA:

Yes, there are three reasons for that. Firstly, the rent that the Port Department was formerly paying for No.5. Jetty is now being paid by the Electricity Department because they have got the Generating Station there and that is £5,000. Secondly, no arrears are now pending for payment. Arrears were being paid in the last couple of years, and, thirdly, the rent for No.4. Jetty is only £2,360 as opposed to a token figure that we had in last year's estimates of £5,000.

HON MAJOR R J PELIZA:

Another question Mr Speaker, is Item 14, which is Port Advertising; £5,000. I notice that we only spent £4,400. The Port is obviously one of the main resources of Gibraltar and I cannot understand why more effort is not put on advertising. Perhaps the Minister can explain whether he is really satisfied with that sum. I thought that this was something that we should exploit to the maximum, particularly now if there is a closure of the Dockyard.

HON A J CANEPA:

Well, in fact, the provision in 1981/82 was in fact £3,500. We have taken out within the current year an extra bit of advertising because from last January we waived tonnage dues for ships that were calling for berthing only and we wanted to take advantage of that so in the last three months, we have had some extra advertising. That has been the reason why the revised figure is £4,400 and for 1982/83, what we are doing is that whereas previously we have only been advertising on a regular basis in fair play and in marine stores, now in addition to those, we are going to advertise in Lloyds List.

HON MAJOR R J PELIZA:

Is there any other way of encouraging ships to come to Gibraltar such as a sales force in England which could literally call and things like that?

HON A J CANEPA:

There was one thing that I was thinking of undertaking myself with the Captain of the Port and that was to do some promotion work along the lines of what the Minister for Tourism has done. The intention was to combine a visit to London and Rotterdam, which is the big centre of shipping, but again, because of the uncertainty over the opening of the frontier, whereas I had intended to do it in May it has been put off and now we will have to wait and see. That is a possibility, to use the Gibraltar Tourist Office for them to arrange some sort of a promotion to the shipping world in London and from there to Rotterdam. I have got it in mind and I will see whether it comes off.

HON MAJOR R J PELIZA:

I am glad that the Minister realises that there are many things that could be done in the London Tourist Office.

HON A J HAYNES:

I have a question on Sub Head 7, a minor point, in relation to the Maintenance of Lamps and Electricity charges. Last year we were asked to vote for a sum which was almost 40% in excess of the sum required. Was there any specific reason for this and, if not, is it likely to recur?

HON A J CANEPA:

Usually Mr Speaker, we have been dependent on the DOE for this. What is happening this year is that the maintenance charge for the North Mole by the DOE has been reduced by £1,650. On the other hand, we are budgetting for estimated expenditure at the container berth which has not been provided for in previous years and also we are including a sum sum of £500 at the request of the Electricity Department for maintenance of the Camber but the bulk of this is dependent on the DOE, we are very much in their hands, I am afraid.

HON A J HAYNES:

There is no provision, I notice in the Other Charges for a token vote for the purchase or lease of the North Mole. Is there any information regarding the transfer of MOD land for the Port?

HON A J CANEPA:

I think the information is that which the Chief Minister brought back, that there has been agreement in principle. What I don't particularly like about it myself is that at looking at the more detailed arrangements of the transfer,

there seems to be an attempt to link it with the Dockyard, that they are doing this in order to help us out with the Dockyard. That, as far as I am concerned, is not acceptable. They should hand over the North Mole because it is surplus to Defence requirements and nothing to do with help about the Dockyard.

MR SPEAKER:

So there is no provision here for it?

HON A J CANEPA:

In respect of the lease the only provision is the rent that we pay. We obviously pay the MOD rent. Once the transfer has been effected, then the item on rents, I imagine, that it may even be wiped out completely in that there will no longer be any need to pay the Admiralty.

HON J BOSSANO:

Are we providing rent for 12 months?

HON A J CANEPA:

At the moment, yes, there is no provision here for 12 months.

HON J BOSSANO:

Mr Speaker; but it doesn't mean that the Government expects to have to pay 12 months, I mean, they anticipate getting it before March, 1983?

HON A J CANEPA:

If agreement can be reached on the detailed arrangements, yes, but this remains to be seen.

HON J BOSSANO:

Could I just ask one thing, Mr Speaker? The willingness of the Government to go ahead with the replacement of the Viaduct bridge by a causeway, is that conditional on the conclusion of the transfer of the North Mole, or not?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir, and it is not only the willingness of this Government but also the willingness of ODA who have made it quite plain that they would not be prepared to fund the project unless the North Mole was handed over to the Government.

HON A J CANEPA:

This is why I said I did not like to have that linked to the Dockyard. By all means let's link it to the viaduct because that was the thinking since the problem of the viaduct reared its ugly head that was our thinking, and if with ODA assistance we can fund this project, then in return for that we take over the North Mole.

HON A J HAYNES:

On Sub-Head 15, Upkeep of Cranes; I notice that the upkeep of cranes annually results in a deficit insofar as the earnings from the cranes is far short of the upkeep cost. Is there any good reason i.e. in terms of service to be provided, to demand the retention of these cranes or can it be safely left to private enterprise and companies to provide their own cranes and do away with this expenditure?

HON A J CANEPA:

I think there is a need for the Port to have such a crane itself for many reasons. For instance, if any campaign to clean up the Port, we would require a crane to lift certain objects that are left around, if only for that alone. I think, obviously, the dock employers they make their own arrangements and they have their own large cranes but I think the Department does require this particular crane for its own use, if for nothing else.

HON A J HAYNES:

It might be cheaper to hire from private enterprise one of their cranes rather than maintain our own cranes.

MR SPEAKER:

Yes, it might, indeed, perhaps, but let us not go into that.

HON G T RESTANO:

May I just ask one question on Sub-Head 14, on the question of advertising, I welcome that the Minister is going to the United Kingdom and Holland and so on, but would he not consider being a little bit more adventurous and try and go far beyond, for example, try by promotional visits to get back for Gibraltar, say, the Russian trade, a trade which used to be as good customers, they used to be very good customers for many years in Gibraltar. Would he consider such promotional visits?

HON A J CANEPA:

If there is one place that I will not give any undertaking that I will go to, it is the USSR. The answer is no.

Other Charges were agreed to.

Special Expenditure.

HON MAJOR R J PELIZA:

Yes, Mr Chairman, just a matter of interest, Shellfish Farming, I notice that we spent £600 last time. Was any progress made, I see no provision for that?

HON A J CANEPA:

No progress, Sir. The problem is that once the mussels have grown to a certain size, as if it were in Argentina, they disappear.

Special Expenditure was agreed to.

Head 17, Post Office, Savings Bank and Philatelic Bureau - Personal Emoluments.

HON MAJOR R J PELIZA:

Mr Chairman, Personal Emoluments, I notice that notwithstanding we have been pressing considerably for an improvement in counter service, I don't think we seem to have convinced the Minister that something should be done, in this respect, I find this rather astounding in that the money made by the Postal Services is over £500,000 a year. Couldn't he out of that big sum provide a better service at the counter or have got to be so very careful with minute little sums? Will he give some more thought to that?

HON H J ZAMMITT:

Mr Speaker, Government has given thought to this matter and in fact, Government has taken action on the matter. The Honourable Member may remember that whereas the staff inspector had recommended the removal of a clerical grade from the Philatelic Bureau from the Post Office in Main Street, we agreed to retain her to carry on on Philatelic Sales and also to issue Social Insurance Stamps. That has brought about a situation that people queueing up at the Post Office do not have to queue there for Social Insurance Stamps and, therefore, it has been found that there has been a very improved situation since people know that they need not queue up there for Social Insurance Stamps and therefore the people on the lower floor are only there for postal orders and registration and stamps.

HON MAJOR R J PELIZA:

The Minister is now quite satisfied that with the adjustment he has made, the service at the counter should be good henceforth.

HON H J ZAMMITT:

Mr Speaker, I don't think any Minister is satisfied, he will always want to have more. It was subject to staff inspection and we have improved upon the staff inspection.

Personal Emoluments were agreed to.

Other Charges.

HON MAJOR R J PELIZA:

Item 3, Maintenance and Running of Motor Vehicles. I notice that that has gone up by £500. Is the cost of any hiring included there, because I think that we were having quite a lot of outside transport. Is that position overcome now?

HON H J ZAMMITT:

Yes, Mr Speaker, there is no provision there for hiring of vehicles at all, it is just the petrol, gasoil, repairs and maintenance. No provision has been made in 1982/83 for hiring.

HON MAJOR R J PELIZA:

So we don't need to hire any more?

HON H J ZAMMITT:

If the Honourable Member will recall, we did buy two new vehicles.

HON MAJOR R J PELIZA:

I am glad to hear that the position has been corrected.

MR SPEAKER:

Any other matters on Other Charges?

HON MAJOR R J PELIZA:

Yes, one or two more. Item 5, Conveyance of Mails that has gone up by £8,000. Can the Minister explain what is meant by conveyance of mails because I am not quite sure?

HON H J ZAMMITT:

Yes, Mr Speaker, conveyance of mails of course is that we have to send mail out of Gibraltar and therefore we have to pay contribution to the receiving Post Office. I should inform Members that as we receive more mail than we send out, we are always benefitting, we draw more from those people who send mail for us to deliver than we have to pay for our mail to be delivered.

HON MAJOR R J PELIZA:

So by conveyance of mails it means conveyance outside Gibraltar and the reason for the £8,000 increase is that the fee has gone up or that they are sending more mail or they are sending less mail?

HON H J ZAMMITT:

It is the gold franc, Mr Speaker, we have to pay, of course, the exchange of currencies, there has been some increase there, there has been some increase in sea freight and freight and handling charges.

HON MAJOR R J PELIZA:

As you mentioned before it is not because of the proportion of mail going out or coming in?

HON H J ZAMMITT:

I said that, Sir, because the more we actually pay here the better for us.

HON MAJOR R J PELIZA:

So the more we pay the better for us.

HON H J ZAMMITT:

Of course.

HON MAJOR R J PELIZA:

Oh, well, that is all right.

HON G T RESTANO:

Mr Chairman, it is estimated that the expenditure for the conveyance of mail is £62,000 and yet I see that the revenue is expected to be only £60,300 so, therefore, we are not getting more than what we are paying.

HON H J ZAMMITT:

It is a complicated situation, Mr Speaker, which you may not allow me to explain.

MR SPEAKER:

No, we must not.

HON H J ZAMMITT:

We benefit tremendously from this in the sense that under the UPU, we pay a contribution to Great Britain and we form part of this Union Corporation. Then, of course, we are paid back and we are treated as a National Post Office when in fact, in all honesty, we are really something like a small Post Office somewhere in the British Isles, but yet we are treated on a National basis, so we do claw-back.

HON MAJOR R J PELIZA:

Mr Chairman, Sub-Head 7. Postal Stores, Printing and Equipment. I see that this has gone up by £6,700 to £11,700, I wonder if the Minister can explain?

HON H J ZAMMITT:

Yes, Mr Speaker, here we intend to, amongst other things, we want to buy a new pillar box which we had intended to put if and when the frontier opens and somewhere around the frontier area or at the Europa Lighthouse and some wall mounted pillar boxes. In addition to that the item now includes, Mr Speaker, furniture and equipment which used to be under Item 80. We have now brought all that into the same Head, but the things that really shine out are the new pillar boxes that we intend to buy for the collection of mail.

HON MAJOR R J PELIZA:

Is it the intention then to have more pillar boxes around town, is that the idea, or is this for replacing old ones? Why is there a need for so many pillar boxes?

HON H J ZAMMITT:

We wanted to have more pillar boxes. One certainly was at the frontier.

MR SPEAKER:

And one in Europa.

HON H J ZAMMITT:

The lighthouse is certainly another one and another one could well be St Michael's Cave or any other suitable site.

HON A T LODDO:

Is it Government's intention to resite the pillar box that they are removing from Queensway, opposite Britannia House?

HON H J ZAMMITT:

No, Mr Speaker, we had looked at the pillar box near the Yacht Club, which is the one the Honourable Member is referring to, and I can say that we are only receiving there possibly three or four letters a day. It has been considered.

HON A T LODDO:

Mr Chairman, I may not have made myself understood. My question was that if they were going to do away with it there, will they use that one to resite it somewhere else?

HON H J ZAMMITT:

Oh, certainly, yes, Mr Speaker, we will certainly use it somewhere else.

HON MAJOR R J PELIZA:

Sub-Head No.6, Supply of Stamps. I notice that we have gone down from £70,000 to £12,000. Is it that we are overstocked?

HON H J ZAMMITT:

No, Mr Speaker, last year we had to provide for the new definitive stamps which comes up every 5 years and therefore we don't have to produce that kind of issue of stamp for the next 5 years.

HON MAJOR R J PELIZA:

In other words, we should have this in stock now for 5 years.

HON H J ZAMMITT:

We may issue a particular stamp which is more saleable than others.

HON MAJOR R J PELIZA:

One more, Mr Speaker. Contribution to International Bureau. That is Item 9. It is now £1,700 more and I wonder if the Minister could tell us something about what this contribution to International Bureau is all about.

HON H J ZAMMITT:

Mr Speaker, again, this is a question of the gold franc situation and the exchange rate we have to pay for the contribution to the Postal Union. We have to pay our contribution whether we like it or not. It is an annual subscription we have to pay to belong to the union.

Other Charges were agreed to.

(2) Philatelic Bureau, Personal Emoluments.

HON MAJOR R J PELIZA:

Could I perhaps, on the Personal Emoluments, I said to the Minister that I had the intention of congratulating this department, I think that they have done extremely well. It was my intention to do it, in fact, when we came to revenue raising matters but since the Minister pointed out, rightly, I would like to stress that this is a department that is doing extremely well and of course we have to congratulate the Minister and all the department.

Personal Emoluments were agreed to.

Other Charges were agreed to.

Head 18, Prison - Personal Emoluments, were agreed to.

Other Charges were agreed to.

Special Expenditure were agreed to.

Head 19, Public Works - Personal Emoluments were agreed to.

Other Charges.

HON W T SCOTT:

Mr Chairman, Subhead 6. Last year I raised a point which although it was promised it would be looked into it is not reflected by the manner in which Subhead 6 and Subhead 7 have been presented. Can we have some explanation? The Minister might recall, Mr Chairman, that on Subhead 6, there are £20,000 of Unallocated Stores for the PWD, but the element of £3,000 on Lighterage and Landing for Subhead 7, in fact, are charges covering the whole of the £430,000, and not just the £20,000.

HON M K FEATHERSTONE:

I am afraid that I don't follow you. Item 6 is Unallocated Stores.

HON W T SCOTT:

Yes.

HON M K FEATHERSTONE:

Item 7 is Lighterage and Landing Charges.

HON W T SCOTT:

Yes. Last year I asked whether the Lighterage and Landing Charges of £3,000 was for the £20,000 of unallocated stores.

HON M K FEATHERSTONE:

Oh, I see. No, Sir, that is on the total stores that are brought in. The £20,000 is, basically, the increase in cost in stores. For example, if you were to have a stock of £400,000 and if you used up the whole of that stock during the year you would have to replace it but to replace it would cost more than £400,000, because of inflation, it would cost £420,000, we are saying. That is why there is a figure of £20,000 extra Unallocated Stores but the Lighterage and Landing would be on the £420,000 that we brought in.

HON W T SCOTT:

Yes, precisely, that was the point that I made last year where if the value of stores issued to other Subheads and Services has already been deducted, the £3,000 Lighterage and Landing contains a very great element of charges also to be put to other Subheads and services.

HON M K FEATHERSTONE:

The cost is worked out on the landing charge including Lighterage and Landing when we supply other Departments.

HON W T SCOTT:

Yes, but it should appear in other Heads then, not on the PWD Head.

HON M K FEATHERSTONE:

Well, basically, when we supply goods we do them on a ratio basis, we don't specify in, for example, a Housing Vote, how much is in materials and how much is labour, we do it on a 70/30 ratio basis. To break it down to the last penny would be almost an impossible task.

HON W T SCOTT:

I am grateful for that answer, Mr Chairman, but last year I had an assurance that the matter would be looked into by the Financial and Development Secretary and I am asking, in fact, my original question, whether it had been looked into and, if so, what was the result?

HON M K FEATHERSTONE:

I honestly do not follow what you are getting at. If an item comes in from the UK costing £1,000 and its share of lighterage and landing is £1 it then costs £1,001. If it is a piece of a pump and it goes to Hesses pumping station, Hesses pumping station is charged £1,001.

HON W T SCOTT:

Yes, but that charge of lighterage and landing is made solely to the PWD Head whereas the stores and the material element is not.

HON M K FEATHERSTONE:

Yes, but when the PWD does work for another Department, in the charge that is made for that work is the cost of labour, the cost of materials, including Lighterage and Landing, and so it is already included. May I just say add one thing? Telephone expenses were £12,800.

HON G T RESTANO:

How much were the trunk calls?

HON M K FEATHERSTONE:

I think about £500 of that.

HON W T SCOTT:

Mr Chairman, Training of Apprentices. Can I ask the Honourable Member what the intake of apprentices this year will be?

HON M K FEATHERSTONE:

We hope it will be 10, Sir.

HON A J HAYNES:

Sub Head 13, Engineer House - Consultancy. Can we have some information on this?

HON M K FEATHERSTONE:

Yes, that is a token amount. The consultancy is that it is necessary to do a number of bore holes and sound out the actual quality of the ground before we actually plan the building that is going there and we are not sure what this consultancy will cost, but as we know we are going to do it we have put in a token sum of £100.

HON W T SCOTT:

Can I ask the Honourable Member, Mr Chairman, and I did raise this point but it was never answered, in fact, I did raise the point dealing with Engineer House. The question was parking facilities within that area being made available before the area is developed which the Government itself said it would do some quite some while back now and nothing has been effected. Can I ask the Honourable Member that?

HON M K FEATHERSTONE:

Yes, we are planning a scheme for doing that, Sir.

HON W T SCOTT:

But this is exactly, Mr Chairman, what the Government said they would be doing about a year and a half ago. Have they progressed any further?

HON M K FEATHERSTONE:

Yes, we have got drawings done and we have looked into the question into the cost of the demolition that will be necessary to be able to do it. The main point that is, I won't say holding us back, but which we haven't fully determined is when we hope to start building Engineer House proper and it might be if we were able to build within, for example, 9 months or 12 months, it might almost be futile to prepare a car park which as soon as it came into operation was going to be taken away. When we have determined on the schedule when we hope to build there, then we will be in a better position to judge whether to go ahead with the car park definitely or not.

HON W T SCOTT:

But I see in any event, Mr Chairman, if I may very quickly go back to Head 101 on the IDF Fund, that there is only a sum of £10,000 to be spent this year on site investigations of Engineer House. Is the Minister saying that we cannot look forward to having any form of parking facilities there till the end of this financial year at the very least?

HON M K FEATHERSTONE:

No, Sir, one of the things that is of considerable interest is the attitude of ODA. We have, in the submission we made to ODA, initially put Engineer House as one of the projects that we wanted to do. It does seem at the moment that ODA is resisting giving us any money for housing but that as far as we are concerned is not the end of the matter. It may

be later this year that we shall have to send a delegation to see the ODA and the whole question will be brought up very strongly at that time. We have, however, at the same time, mentioned to ODA the possibility, if Engineer House is not going to be built quickly, whether they would contribute to the car park there.

HON P J ISOIA:

Is there not a lot to be said for having an operation there, at least cleaning up. The Minister speaks of demolition, I would have thought that a few school children could push over what is left. The place is in absolute ruin. There must be rats, there must be all sorts of things going round the different properties around. The Government have had this property for a considerable time. At least cleaning up, tidying up and let 8 cars go in if necessary and not leave the thing in such a dreadful derelict state that must be surely a hazard to health and the properties around.

HON M K FEATHERSTONE:

The demolition that is needed there is quite considerable. What was known as the Model house is one of these old strong stone buildings that would need quite a lot of effort to demolish. Also the area inside is very rugged and it would not be just a simple matter of removing the gates and having one or two cars going in there, you would have to spend a reasonable amount of money to make any reasonable parking area there.

HON A T LODDO:

Mr Chairman, the Minister mentioned that these £100 token for the consultancy was for an intended deep boring probe in the Engineer House area. Could the Minister say (1) when the deep boring tests will take place and (2) who will do them, who will carry these out?

HON M K FEATHERSTONE:

I would presume that the tests should be done some time this year. We would go out to tender for consultants to do the work.

Other Charges were agreed to.

Special Expenditure.

HON G T RESTANO:

Why should there be only a token figure for the PABX? Surely it is known how much it costs?

HON M K FEATHERSTONE:

Yes, Sir, I am not sure whether we can get that this year or whether it will have to come next year. We have put it in as a token, if it is possible to get it this year we will, but, of course, the demands on the telephone service are such that we are not sure whether we can get it out in due course this year. I understand new PABX's are not difficult to instal but quite time consuming and I believe there is a new one going in the Secretariat and a new one going in the hospital. We will have to wait our turn and our turn may not come in this year.

HON G T RESTANO:

But why put in a token vote, why not put in the actual cost?

HON M K FEATHERSTONE:

Because if we can do it this year then we will and then we will come here for the money.

Special Expenditure was agreed to.

Head 20, Public Works Annually Recurrent.

Beaches was agreed to.

Maintenance of Buildings.

HON A J HAYNES:

Sir, can we have a breakdown on the Housing which is to be repaired or maintained and which is included in this figure, giving the estates which are due for maintenance?

HON M K FEATHERSTONE:

No, Sir, I don't think that is absolutely possible. The amount to be spent on housing includes a number of areas that we hope to do, a number of areas that we hope to paint, a number of areas that we hope to rehabilitate, etc. I believe Hargraves is included, and it also includes requisitions which come in. Again, they vary throughout the year in cost and in quantity. I think to give an absolute breakdown at this stage would be an impossibility.

HON A J HAYNES:

Can the Minister tell us whether he is aware of the problem which Jumpers Building has at the moment and the risk involved with Jumpers Building?

HON M K FEATHERSTONE:

The position with Jumpers Building, as far as I understand, is that the Housing Department are making their utmost efforts to decant the persons living there. I believe they have offered alternative accommodation to some people though it has apparently been refused. The position is that we feel that Jumper's Building will have to be decanted within the next 6 months or so after which further tests may be done to see whether the building can be rehabilitated at all or whether it will be put up for tender for demolition and redevelopment by the private sector.

HON A J HAYNES:

My information is contradictory to that of the Minister insofar as Housing, as far as I understand, have no clear mandate to decant Jumpers Building at the moment. Perhaps the Minister for Housing could enlighten us on this. As I understand it there is no provision to decant the residents.

HON M K FEATHERSTONE:

I can assure the Honourable Member that this question has been discussed in Council of Ministers and a decision to decant has been taken.

HON A J HAYNES:

When was that decision taken, Mr Chairman? As I understand it, it was taken at least 18 months ago, if not longer.

HON M K FEATHERSTONE:

I think the Minister for Housing has been trying to decant the people concerned at least, to my knowledge, for the last 6 months or so but as I have said in certain instances he has offered alternative accommodation and it has been rejected.

HON A J HAYNES:

I have one further question on that Sub-Head. There is a reduction in this figure and I want to know why there was a reduction. Is it that there are less buildings to maintain, or is this an economy measure?

HON M K FEATHERSTONE:

There would not be any reduction, Sir, I think it is an increase.

HON A J HAYNES:

Mr Chairman, it is an increase on the revised estimates.

MR SPEAKER:

In actual expenditure, you mean?

HON A J HAYNES:

Mr Chairman, the approved estimates for last year was £1,152,000. This year it has gone down by almost £300,000. Is there any reason for this?

MR SPEAKER:

I don't quite follow you. £1,200,000 has been spent this year as against the approved estimate of £1,152,000.

Maintenance of Buildings was agreed to.

Emergency Service and Stores was agreed to.

Gardens.

HON A T LODDO:

Mr Chairman, Gardens, Parks and Upper Rock. How much of the £164,000 is wages?

HON M K FEATHERSTONE:

About £131,000, Sir.

HON A T LODDO:

Mr Chairman, to how much industrial workers does this £131,000 in wages refer?

HON M K FEATHERSTONE:

36 men, Sir.

HON A T LODDO:

Mr Chairman, and how many of these 36 are gardeners.

HON M K FEATHERSTONE:

I will give the absolute breakdown, Sir, and perhaps this will help. There is a motor driver of the bousier which goes round watering, there is a Leading Hand, who I presume must be a high class gardener, there are 3 gardeners, Grade I, 3 gardeners Grade II, 18 labourers of different descriptions and then in the Upper Rock area a mason and 5 labourers.

HON A T LODDO:

Mr Chairman, these 6 gardeners. Grades I and II. Presumably, they are all employed in the Alameda Gardens.

HON M K FEATHERSTONE:

No, Sir, I think they should be employed doing gardens everywhere that we have some gardens to look after, for example, outside Referendum Gate, the area at Corral Road, Waterport Fountain, everywhere where we have gardens we do send perhaps a gardener and a couple of labourers to do whatever work is required.

HON A T LODDO:

Mr Chairman, perhaps I can ask the question in a different way. How many gardeners and how many labourers are employed full-time in the Alameda Gardens?

HON M K FEATHERSTONE:

I wouldn't be able to answer that, Sir, I think they are deployed as the gentleman in charge considers it is necessary in each area. I wouldn't like to say that there are X number full-time in Alameda Gardens.

HON A T LODDO:

Mr Chairman, is the Head Gardener satisfied with the staff he has available for the upkeep of the Alameda Gardens?

HON M K FEATHERSTONE:

No, Sir.

HON A T LODDO:

Mr Chairman, can I ask then, does Government propose to increase the staff?

HON M K FEATHERSTONE:

No, Sir.

Gardens was agreed to.

General.

HON MAJOR R J PELIZA:

Sick leave for workmen. I notice that the approved estimate 1981/82 was £170,000, the revised was £133,500, and now it

has gone down to £168,000, a reduction of £2,000 on the approved estimates which, in fact, is about £5,500 on the revised estimates. Can the Minister explain why he is optimistic that these figures are coming down, is it that the force is being reduced so that more supervision is undertaken in this matter, or why?

HON M K FEATHERSTONE:

Sir, I gave an explanation on this. I gave a very detailed list to the Honourable Mr Scott, which perhaps he might like to pass to you. It did show that the average number of days lost per man throughout the year had decreased and the decrease had been much more effective over the last 3 months of the year. It has been based on that average that these new figures have been prepared.

HON W T SCOTT:

May I ask the Minister to further urge his Department, not only to continue the monitoring but to keep an even closer watch because out of the information available from the different Heads, and some of the Heads, in fact, do not

MR SPEAKER:

We are making speeches, with due respect, Mr Scott.

HON W T SCOTT:

It is alarming Mr Speaker, what is paid on sick leave to industrials throughout the whole of the Government Departments and on that basis might I ask the Minister to continue urging his own Department to keep the closest watch.

HON M K FEATHERSTONE:

Yes, Sir, we do keep a very close watch and I invite the Honourable Member to come and have a look at the list which is given to me every week and he will see that it is very detailed, much more detailed than the actual figures I have given him. We have a breakdown of a number of men who are away on sick leave, certified, uncertified, which doctors have certified it, etc., etc. I think he will find that we are keeping a very careful eye and we are taking constant disciplinary action against the bad offender.

HON P-J ISOLA:

Am I right in thinking that two hours per man, per week, is lost on average in his Department?

HON M K FEATHERSTONE:

Yes, Sir.

HON P J ISOLA:

That is pretty bad, isn't it?

HON M K FEATHERSTONE:

I am afraid that we have a number of gentlemen in our employ who are not of British nationality who, perhaps, abuse or at least take every advantage of sick leave they can.

General was agreed to.

Highways.

HON MAJOR R J PELIZA:

Mr Chairman, I wonder if I could take the three items together, because they are inter-related and it saves time. Items No. 24, 25 and 26, I do believe and I agree that money should be spent on the improvement and maintenance of the roads but could the Minister explain because we have Item 24, which is Maintenance and Improvement of Roads, then 25 which is Car Parks and then 26 which is Resurfacing. It is difficult to know the difference between resurfacing and maintenance and improvements and car parks are perhaps part of the highway as well in many instances. Perhaps he might be able to give us an explanation altogether and I would be grateful to the Minister.

HON M K FEATHERSTONE:

Yes, Sir, the car parks used to be put in the I & D Fund and are now put into these estimates as recurrent expenditure and they refer basically this year to 32 spaces at Glacis Road, the completion of Rosia Road, 16 spaces at Queensway, 35 spaces at Devil's Tower Road and a number of spaces, I think it may be 8, at Sandpits and Rosia Parade, the final surfacing. The resurfacing is a major operation of one road but I am not sure which one it is.

HON MAJOR R J PELIZA:

He mentioned an improvement of roads.

HON M K FEATHERSTONE:

Yes, there is the general maintenance that goes on from day to day, small resurfacings, kerb stores etc.

HON MAJOR R J PELIZA:

So there is really no provision for any sort of major undertaking on a particular road like Main Street or something like that?

HON M K FEATHERSTONE:

You mean making a brand new road or something?

HON MAJOR R J PELIZA:

Well, not necessarily making a new road but resurfacing a road completely.

HON M K FEATHERSTONE:

Yes, the £18,000 is a big resurfacing job. I can't say where it might be but, for example, I think last year we did quite a big area along Rosia Road, it is a major job.

HON MAJOR R J PELIZA:

The Minister should realise that there is a lot of need for that sort of thing in Gibraltar, I think that most of our roads are appalling and unless we do something quickly they are going to get far worse than they are today.

HON A J HAYNES:

Sir, does the revised estimates for Subhead 24 include any figure for the painting of the roads which has gone on with such alacrity in the last 2 months.

HON M K FEATHERSTONE:

No, that painting of the road came out of the I & D Fund - Opening of the Frontier, that is not the normal work under this.

HON P J ISOLA:

I have noticed that the pace of repairing the roads on the way to Spain, put it that way, seems to have dramatically decreased. For example, where the Cross of Sacrifice is I have noticed that work that was started seems to have been abandoned there. What is this due to, is it a reduced pressure on the Department, or are we back to our old ways and we take our time over it?

HON M K FEATHERSTONE:

I wouldn't like to accept that we are back to our old ways, Sir. All the efforts of the Department was put into the opening of the frontier scheduled for the 20th April and when the opening was put back to June then the pressure was taken off and men who had been working entirely on that but were needed on other places have been taken to some other areas that were more necessary. These areas will, of course, be completed by the June schedule.

HON A J HAYNES:

Does this include the work which started down by the Stores in Ragged Staff Gates and is now climbing up the Rock Hotel hill?

HON M K FEATHERSTONE:

No, that one is under the Salt Water vote. That is a job being done by the salt water section.

Highways was agreed to.

The House recessed at 5.20 pm.

The House resumed at 5.45 pm.

Mechanical was agreed to.

Pumping was agreed to.

Sanitation was agreed to.

Salt Water Supply.

HON W T SCOTT:

Why is there that fall from the approved to the revised estimate and another sharp rise?

HON M K FEATHERSTONE:

I think the main reason is that we over estimated last year on electricity consumption, Sir.

HON MAJOR R J PELIZA:

Mr Chairman, since I have been critical on this before, could I tell the Minister that the faults that were in my area do not seem to be recurring any more and I wonder if anything has been done in that area to make it work satisfactorily now, that is the Penney House area.

HON M K FEATHERSTONE:

Yes, Sir. When we have the main that we are installing up Europa Road ready then the whole of the South District will be considerably improved.

HON MAJOR R J PELIZA:

Well, I think it has from my own personal experience.

Salt Water Supply was agreed to.

Potable Water Supply.

HON W T SCOTT:

Mr Chairman, we had a very sharp rise because of that tanker on Subhead 56 and the figure is the same £½m, this year.

HON M K FEATHERSTONE:

Based on the rainfall that we have had so far and on our expectation, then this is, I won't say a cockshy but it is of course an estimate. We are always at the mercy of first of all the rainfall and, secondly, the demand so we may have to change some time during the year but this is what we have put as a reasoned estimate.

HON W T SCOTT:

Are there any distillers which are due for a prolonged period of maintenance within the next 12 months?

HON M K FEATHERSTONE:

The North face distiller is having its maintenance now so when it comes back in about six weeks time then both distillers should be in reasonably good condition throughout the whole of the summer.

HON G T RESTANO:

Why is the increase in distillers between the approved and the revised estimates not reflected in the estimates for 1982/83?

HON M K FEATHERSTONE:

Because once again we have based the requirement from the distillers on the rainfall we are getting, etc. The importation and distillers work more or less hand in hand with the rainfall we get.

Potable Water Supply was agreed to.

Cemeteries was agreed to.

Head 20 Public Works Annually Recurrent was agreed to.

Head 21 Recreation and Sport.

Personal Emoluments.

HON A T LODDO:

On Personal Emoluments, I notice that the salaries are up, the overtime is up but the allowances are the same. Perhaps the Minister could explain why?

HON H J ZAMMITT:

Mr Speaker, the overtime is slightly up and that is on account of the increase in salaries and wages and accordingly the wages are up and that is obviously because of the increase in salaries. The allowances are the same because they do not go up as a result of increase of wages.

HON A T LODDO:

Mr Chairman, what do these allowances actually refer to?

HON H J ZAMMITT:

They are shift allowances because the staff have to work unsocial hours and disturbance allowance because they work on public holidays but they are static, there is no increase on an hourly rate, it is an allowance you get over a period, a flat allowance.

HON P J ISOLA:

Mr Chairman, this is, I suppose, an establishment matter. If you have got an officer as apparently you have in this case who is on a personal basis Scale 20 and the job is really a job for a Scale 32, what happens, does the Scale 20 stay there for ever or does he move on if there is a job vacant in the rest of the civil service for a Scale 20 and then you get a Scale 32, because one seems to be paying for the post more than one should be doing. What is the position on that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If a post comes up for which he is suitable, he could be moved into the post equivalent to his grade. If, however, no post to which he is suitable comes up, then he stays in that post until he retires.

HON P J ISOLA:

But is it policy to move somebody away from a post which he is holding which he shouldn't be at because it is not appropriate to his scale? That is another way of the whole thing costing more.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think that if the opportunity arose and one could move him and he is willing to go and he can do the job you would move him, yes but in a number of cases where you get a personal to the holder scale of this kind it is very difficult to move them. But yes, you would move him if you could.

HON A J CANEPA:

This arose before the re-organisation that took place in the wake of parity which brought in the Higher Executive Officers and the Senior Executive Officers and people were appointed to a specific post. If someone has been appointed, say, as Manager of the Victoria Stadium, he can claim that he was appointed as a result of specific promotion to a specific post and that therefore he should not be moved around. The post of Higher Executive Officer and Senior Executive Officer are really interchangeable. If someone is promoted to the grade of Higher Executive Officer he can be transferred, he can be moved around. But in this case the difficulty could be that the appointment was made, as I say, in the days when the Victoria Stadium Sports Manager was in a specific post which may not have been either a Supervisory Officer or a Titular Officer but something in between.

Personal Emoluments was agreed to.

Other Charges.

HON A T LODDO:

On Subhead 3 we have the Replacement of Equipment. £10,500 of which £2,000 is a revote. What exactly is this equipment?

HON H J ZAMMITT:

The £2,000 revote was the stand that arrived, may I say, one day after the hockey games took place and in fact when the games were taking place the stands were at the Port and we now have new stands for the hockey pitch.

HON A T LODDO:

Mr Chairman, on the wages, £105,000. How much of that is wages and how much overtime?

HON H J ZAMMITT:

Sir, £77,600 are basic wages, £22,700 is overtime and there are shift allowances of £4,500 and an efficiency bonus of £5,270.

HON A T LODDO:

To how many people does this wages bill refer?

HON H J ZAMMITT:

22, Sir.

Other Charges were agreed to.

Special Expenditure.

HON A T LODDO:

Mr Chairman, on Subhead 80, I notice that Contributions to Sporting Societies is again £12,500. Does this mean, Mr Speaker, that in fact these sporting societies are getting exactly the same contribution for the third year running regardless of inflation?

HON H J ZAMMITT:

The Committee set up to consider applications for sporting committees receive applications not necessarily from the same bodies every year and each representation is considered independently and the committee makes out its allocation. It is exactly the same, £12,500 to be shared amongst those applying.

HON A T LODDO:

So Mr Speaker I take it that although the figure, fortuitously for the Minister is the same as it has been for the last 3 years, the sporting societies who have benefitted from this amount are not necessarily the same ones every year?

HON H J ZAMMITT:

There are some associations that may not ask, for instance, cricket may not have asked for anything for the last six or seven or eight years and this year we are making some provision for them under another head but you could find that next year there could be some other association that is not requiring money. For argument's sake I will say that the GHA as a governing body will be going away to play hockey this year. I refer to the GHA, not the Rock Gunners, and therefore some provision will have to be made for them, in fact, we have made some provision for that already but we may find that that will not happen next year because they do not play every year.

HON W T SCOTT:

Why was the £100 under Subhead 81 not spent last year?

HON H J ZAMMITT:

Why was it not spent? Well, it was never intended to spend £100, we intended to spend much more but I think Honourable Members know that we put the question of charges to the Federation and it was not received with very much enthusiasm and therefore we did not spend the £100 which was a token vote anyway. As I said in my contribution in the general debate at the second reading, Mr Speaker, we are looking at a system of charges at the Stadium and we may well have to come back to the House and ask for funds to carry out certain alterations at the Victoria Stadium to implement some form of charges.

HON W T SCOTT:

This would be an on-going thing insofar as it is, I think, the second year and a rejection at every level over the last 18 months has been given to the Honourable Member. What makes the Honourable Member think that there will be a change of attitude to be able to implement the charges at the Stadium? What has given rise to his believing that there will be a change?

HON H J ZAMMITT:

I don't think there will be a change, Mr Speaker, what I think there will be is the need for people to realise that sport cannot be allowed to continue free, that there must be a contribution as there is in every other part of the world.

MR SPEAKER:

We are not going to debate that question. What you are doing is that you are making token provision for the purpose of being able to implement it. We are not going to discuss the merits of whether charges should or should not be made.

HON W T SCOTT:

Can I ask the Minister what is the nature of the structural alterations?

HON H J ZAMMITT:

Sir, the nature of the structural alterations was to link up Phase I, Phase II, that is to say the Bayside side, the Hall side, by way of a chain link corridor to the hockey pitch and enclose the hockey pitch with turnstyle at the hockey pitch, one-way turnstyle as an outlet on the eastern side of the Hockey pitch and entrance would then be via Bayside.

HON W T SCOTT:

Does the Government have any idea how much these structural alterations would cost?

HON H J ZAMMITT:

Mr Speaker, we have an idea. The estimate today is something in the region of £20,000.

HON W T SCOTT:

It is a capital sum of £20,000 and, presumably, the staff might well have to be increased to take the charges as well and has the Minister any figures available to see how much extra it is going to cost continuously?

HON H J ZAMMITT:

There are three schemes, Mr Speaker, some require no additional staff and some require some staff.

Special Expenditure was agreed to.

Head 22 Secretariat.

Personal Emoluments.

HON P J ISOLA:

I have noticed, Mr Speaker, that the office of the Administrative Secretary is composed of exactly two persons, the Administrative Secretary and the Personal Secretary, and I am well aware of the output of that office and if all the other offices equalled that output I think we would have redundancies in the Secretariat. Having said that, Mr Speaker, I would like to go to the Industrial Relations Division which seems to be cluttered with bodies, the Industrial Relations Officer, a Senior Executive Officer, a Higher Executive Officer and Executive Officer and Clerical Officers. One hears of the Industrial Relations Officer having constant meetings with my Honourable Friend on my left and other people one hears very little about anything else in that department. Could we know something about what the Senior Executive Officer and the Higher Executive Officer does in that Department?

HON A J CANEPA:

The Senior Executive Officer is the Assistant Industrial Relations Officer. The Higher Executive Officer etc. represent the Industrial Relations Section in various Working Parties they are looking into matters which have

repercussions for industrial relations, they do some research and prepare papers for the Industrial Relations Officer. I get minutes of all the meetings which are held with the various Unions and Staff Associations and they are heavily engaged in the meetings. The Senior Executive Officer and Higher Executive Officer attend most of the meetings.

HON P J ISOLA:

How far does the Industrial Relations Officer have powers of veto in other departments on the way they manage their department? How far are they able to control them and how far do they control them?

HON A J CANEPA:

The Industrial Relations Officer, not at all, I would say, no powers of veto whatsoever.

HON P J ISOLA:

Are they just advisory to all the other departments?

HON A J CANEPA:

Yes.

Personal Emoluments were agreed to.

Other Charges.

HON P J ISOLA:

Could I go to the Rents of Flats and Offices. I think I heard somebody say that Government was moving into its own accommodation. That is not reflected in the estimates, for the year?

HON ATTORNEY GENERAL:

Mr Chairman, the Government's proposals are longer term proposals extending beyond the forthcoming financial year which is why they are not reflected in this year's estimates. May I revert to what was raised earlier on on the rental of my Chambers. The position, which I think the Honourable Member was asking about, was how much was the rent payable for the Law Officers Department. In fact, the whole of Seclane House is a global rental, it is a rental for the whole property, and that is £22,280 per year plus service charges at £2,600 plus maintenance charges of £4,800 and, of course, there are 6 storeys counting the ground storey but some are residential, some are offices. In the case of the residential ones there

would be a recouping of something by way of recovery from the rent. I think if you will accept it as a rough and ready indicator if one were to divide the total figure by 6, I think that would give you a rough idea of how much is ascribable to us.

HON A J HAYNES:

On the Official Passages, Sub Head 10, could I have a breakdown?

HON ATTORNEY GENERAL:

As I understand it, Mr Chairman, it is really a fund to cover official holiday passages. I think this may have been announced previously but the concession which exists was withdrawn with effect from 1st of January 1979, and is being gradually phased out and all outstanding entitlements will be drawn during the financial year 1982/83. The increase this year in the amount is due to the increase in travel costs, the air fares and rail costs.

HON A J HAYNES:

When the Minister for Tourism went to America and took a delegation with him, would this be covered by this expense?

HON CHIEF MINISTER:

If it is connected with philately it is covered by the Post Office Vote.

HON A J HAYNES:

So the costs of sending a delegation to any country on any venture are undertaken by the Department concerned.

HON CHIEF MINISTER:

If there is a vote for it.

HON ATTORNEY GENERAL:

I should add one point by way of clarification, that the general phasing out of leave entitlement refers of course to permanent officers. I believe an element of this does represent expatriates.

Other Charges were agreed to.

Special Expenditure.

HON P J ISOLA:

May I ask what the Inquiries into Departmental Functions and Efficiency it is £15,000, who makes these enquiries?

HON CHIEF MINISTER:

There happens to be the Electricity Department Inquiry and anything that comes after that.

HON P J ISOLA:

So the Electricity Department Inquiry is going to cost £15,000?

HON ATTORNEY GENERAL:

The provision made is £15,000 and it covers general inquiries into Departments, efficiency inquiries. In the previous year only £3,200 was, in fact, expended on the Electricity Department Inquiry.

HON P J ISOLA:

What did the Public Works Department Inquiry cost? Is that in the 1981/82 estimates?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think the figures for 1980/81 probably cover that £13,625 but we need to look at it. It was in 1980/81, not 1981/82.

HON P J ISOLA:

So in 1981/82 you did not have any Inquiries?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It took some time to get the Electricity Inquiry off the ground, there was a delay. I think that the PWD Inquiry, if I am correct, reported in about February or March, 1981.

HON P J ISOLA:

Yes, but then shouldn't there be a revised estimate under this for a current year of nil funds because electricity was covered in the next?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There would have been some expenditure in 1981/82 on the Electricity Inquiry because it did start in the last quarter of the year but not the whole cost would be reflected.

HON ATTORNEY GENERAL:

It was, in fact, £3,200.

HON P J ISOLA:

So that revised figure of £15,000 for 1981/82 is wrong?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No it is probably higher, Mr Chairman.

HON P J ISOLA:

Could I ask on the Pensions Legislation Consultancy, I notice £5,000 in the current year and then £1,000 for next year. Can we be told what is the scope of it at the moment?

HON A J CANEPA:

It is at a very advanced stage now. I think the consultant is in a position to make definite recommendations that would constitute a brief for legislation to be prepared. I think the Government, in principle, has gone along with the recommendations of the consultant and I think they will be the subject of some consultation with the Staff Associations, though. It may be some time before we are in a position to bring any Bill to the House. The other problem, of course, may be whether the economy can sustain the change.

HON P J ISOLA:

And the last thing, Mr. Speaker, I would like to ask on this is the History of Gibraltar's Population during the War Years. I notice that is a revote. Is there any hope of getting this one going during the current year because I would have thought that was of some importance and there will be less and less people with us as years go by.

HON ATTORNEY GENERAL:

It is a matter we could take note of and take up with the Archivist.

Special Expenditure was agreed to.

Head 23. Telephone Service - Personal Emoluments.

HON G T RESTANO:

May I ask, Mr Chairman, what the position is going to be in regard to the Temporary Assistance in the department when the IDD system is implemented.

HON DR R G VALARINO:

Yes, Mr Chairman, the Temporary Assistance consists of two sets of people, the Telephone Trunk Operators who have got a 2-year contract and most of them will finish in the Spring or Summer of next year. Then we have got the UK temporary assistants and two will stay until the end of June and one will stay until the end of September. This is in order to get the IDD working before the 1st October.

HON G T RESTANO:

So that means that there will be redundancies of eleven, i.e. 9 Telephone Trunk Operators and 2 Technicians?

HON DR R G VALARINO:

Mr Chairman, Sir, there will be no redundancies because they are only temporary and their contract really establishes that they are temporary, they know that they are temporary, so they are only for a limited period. I don't think that you can call that a redundancy and the other two are contract so there will be no redundancies.

HON G T RESTANO:

Will the Minister give the reasons for the employing of four extra Professional and Technological Officers? What are they going to do.

HON DR R G VALARINO:

They are four PTO's, in fact, the upgrading of the PTO staff is due to the Report on the technical re-structure on the introduction of international direct dialling.

HON G T RESTANO:

I take it then that they are being taken on on a permanent basis, is that correct?

HON DR R G VALARINO:

Yes, Mr Chairman, they are permanent, they are local staff.

Head 23. Telephone Service - Personal Emoluments were agreed to.

Other Charges.

HON G T RESTANO:

Mr Chairman, Head 6, Maintenance and Extension of Lines, £274,000. When the £274,000 are spent, will that be the end of the operation of renewing old telephone lines or will there be more work still to be done?

HON DR R G VALARINO:

This is something which carries on because it is a recurrent item and it is really the wages of the non-industrials plus the allowances and the small amount of materials with spares and extension of lines. These are minor lines but the bulk of it is wages for the non-industrial staff.

HON G T RESTANO:

But is this not for the renewal of the old telephone lines?

HON DR R G VALARINO:

Mr Chairman, the renewal of the cable network which we are talking about comes under the Improvement and Development Fund, not under this Fund.

HON G T RESTANO:

How many people does this apply to?

HON DR R G VALARINO:

53, Mr Chairman.

HON G T RESTANO:

Did I hear the Minister say wages for non-industrial staff or industrial staff?

HON DR R G VALARINO:

Industrial staff, yes.

HON G T RESTANO:

Mr Chairman, Subhead 8, Training of Apprentices. I notice that there has been a drop from £19,400 to £5,300, why is this so?

HON DR R G VALARINO:

Mainly because this year there is a reduction in fees and we are going to take on one apprentice only.

HON G T RESTANO:

This is a radical reduction from the last three years, why?

HON DR R G VALARINO:

Mr Chairman, this is what was usual beforehand. With the building up by increasing the number of apprentices, now we can decrease the number of apprentices because we are gradually getting enough to be able to cope with the workload.

HON G T RESTANO:

Can we have details of the token vote for Telephone Advisory Service?

HON DR R G VALARINO:

The Telephone Advisory Service is merely a token vote and really implies the advisory service that we sometimes need from British Telecom. As you know, British Telecom in the past have given us advice on various matters which have been necessary for the implementation of international direct dialling, and other matters.

HON G T RESTANO:

But I don't understand why we should have a token vote, Mr Chairman, after all, we've had the advice of the British Post Office. Surely, they've given all the advice required. What extra advice does the Government think that it is going to need?

HON DR R G VALARINO:

Mr Chairman, this is really just a token vote. It allows us to be able to ask for the money, to come to the House and ask for the money should we need it. There are problems that may present themselves in the telephone service and in the expansion of the telephone service, which is really expanding to a very large degree and very quickly, and I feel that this is a very necessary item to be able to deal with any occurrence that may arise, as soon as possible.

Other Charges were agreed to.

Special Expenditure.

HON A J HAYNES:

Mr Chairman, I see that there is to be a new directory this year. Has the Minister considered publishing a new directory annually and, if so, can the Minister say whether such an enterprise would be less or more costly because as I understand it, it would be less costly.

HON DR R G VALARINO:

Mr Speaker, Sir, this has been considered but, unfortunately, the Telephone Department is in such a state of flux with direct dialling that it is indeed necessary to publish one for over two years now. If we publish one every year it would mean a tremendous amount of work for clerical staff and at the end of the day it would be far more expensive than publishing it every 2 or every 3 years. The last time we published it was 2 years ago and, in fact, it would be much easier to have a supplement should we need it.

Special Expenditure was agreed to.

The House recessed at 6.15 pm.

WEDNESDAY THE 5TH MAY, 1982

The House resumed at 11.00 am.

MR SPEAKER:

I believe we are now on Head 24 - Tourist Office.

Head 24 Tourist Office - Personal Emoluments.

HON MAJOR R J PELIZA:

Mr Speaker, I am glad to see that the Minister has not rushed away and increased his staff in Gibraltar because of the opening of the frontier. Perhaps if it does open and there is a movement, and I hope there will be, he might have to increase his staff, but could he tell me, basically, what are the numbers of individuals actually working in the front line of the tourist side of Gibraltar, in other words, at the counters.

HON H J ZAMMITT:

Yes, Mr Speaker. Needless to say that if the frontier had opened or is to open there will obviously be a requirement for additional staff in certain areas. Apart from the Director of Tourism there are two Higher Executive Officers, six Clerical Officers, one Clerical Assistant and that is about it as far as I can see, Mr Speaker. The typist would not be in the front line it refers to counter clerks i.e. let us say, the Piazza, the Tourist Office and at the airport.

HON MAJOR R J PELIZA:

What are the numbers who are literally attending to the tourists?

HON H J ZAMMITT:

There will be about four in the Piazza Tourist Office possibly four in the Tourist Office proper and two at the air terminal. One member of the Tourist Office has been posted at the airport to supervise the added responsibility of the air terminal with its extension.

HON MAJOR R J PELIZA:

We also obviously have some responsibility for the upkeep or the supervision of the upkeep of the actual air terminal. Can the Minister say who is responsible for that?

HON H J ZAMMITT:

The person ultimately responsible is the Airport Manager who is the Director of Tourism but there is a person there, an Executive Officer who has recently been posted to ensure that the cleaning and the whole management of the airport is now kept, hopefully, in a cleaner state than it has been in the past.

HON MAJOR R J PELIZA:

So the ultimate responsibility for keeping the place clean and in a reasonable state is that of the Tourist Office. Could they see about the floor, I keep saying this, about the floor of the air terminal where chewing gum is stuck all over the place.

MR SPEAKER:

We should be discussing personal emoluments.

HON MAJOR R J PELIZA:

I want to draw attention, Mr Speaker, to the state of the floor. I know the cafeteria has been done, that has been cleaned, but the other areas are in a terrible state and I hope the Minister will look into this.

HON H J ZAMMITT:

Mr Chairman, Phase II of the air terminal is at present in process of being constructed and of course it does provide for new tiling for the whole air terminal.

HON MAJOR R J PELIZA:

I don't think new tiling, with all due respect of the Minister, has anything to do with it. If it is not looked after it is going to be filthy.

HON H J ZAMMITT:

We have made provision, Mr Speaker, for additional cleaners and a restructure of the cleaning of the air terminal.

HON P J ISOLA:

Is there any responsibility on the Airport Manager to ensure that there are taxis available for the public? Has he any responsibility in that respect?

HON H J ZAMMITT:

I don't think he has a direct responsibility other than the liaison that should exist between the Director of Tourism and the Taxi Association as such to ensure that there should be taxis there on the arrival of planes.

HON P J ISOLA:

Is there any person in that airport responsible for ringing up the Taxi Association and saying: "There are no taxis here, could you send some because passengers will want them". I have seen a lot of passengers at the airport literally waiting helplessly for somebody to pick them up.

HON H J ZAMMITT:

Mr Speaker, I am informed that there is a person at the airport permanently.

HON J BOSSANO:

Wasn't there some mention not so long ago about tourist guides being employed? Was this, in fact, something that the Government was thinking of doing if the frontier opens or do they think it is something worth considering even with the frontier closed if there is a need to expand tourism anyway?

HON H J ZAMMITT:

Mr Chairman, the tourist guides were not going to be employed by the Tourist Office, they were going to be trained and coached by the Tourist Office and would have to pass an examination on the history of Gibraltar and its places of interest. Once licensed by the Tourist Office or by the Government then of course they would be employed by individual tourist agents, travel agents or organisations. That is being done, Mr Speaker.

Personal Emoluments were agreed to.

Other Charges.

HON MAJOR R J PELIZA:

Subhead 7 - Wages. Can he explain how many people are employed?

HON H J ZAMMITT:

Yes Mr Speaker, we have seven caretakers, one handyman, one male cleaner, charwoman part time and one attendant.

HON MAJOR R J PELIZA:

I take it therefore that the increase of £6,600 is purely on wage increases and not because the staff has been increased.

HON H J ZAMMITT:

There has been no staff increase, it is just wage increase.

HON MAJOR R J PELIZA:

The main point, Mr Speaker, that I want to raise here is Subhead 13 and that is the amount of money being spent basically in attracting tourists to Gibraltar. I see that the amount remains the same as last year which is £200,000 for advertising and field sales. I don't know what he means by field sales, perhaps he can explain, because I see that earlier there is also a provision for entertainment and travel and I don't know how they overlap or what field sales is. My contention is that although Gibraltar obviously has probably gained tremendous publicity out of the Falkland Islands, the Prince coming to Gibraltar and perhaps the intended opening of the frontier, all this has been very much in the news in Britain and therefore has brought Gibraltar to the forefront and that will in my view considerably help in attracting people to Gibraltar, I still believe that we should not allow our efforts in attracting them through advertising and other methods to be reduced because if the Minister takes into account inflation, what we are in fact doing is that this year we are putting less money into serving Gibraltar than we did last year. Considering that the Dockyard is likely to be closed, I hope it isn't but it is very much on the cards as we all know, I would have thought that since tourism is going to become one of the main replacements for whatever is lost in the dockyard, that a much more vigorous effort would be placed on improving the sale of tourism in Gibraltar and that I do not see in any way and I am extremely concerned and before I take further action here today, Mr Speaker, on this matter, I would like to hear what the Minister has got to say, what case he has got for not doing much more than that.

HON H J ZAMMITT:

Mr Speaker, one cannot argue against logic. One cannot argue against the question of inflation, one cannot argue against a non-increase to keep up even with inflation. What one has to argue about is that we have a static situation brought about by the non-event of certain issues whereby we have to be realistic. I am of the firm opinion that a time will come, hopefully in the not too distant future, that we may have to make a re-appraisal of our advertising.

MR SPEAKER:

We are getting bogged down on matters of general principle.

HON H J ZAMMITT:

I can say that Government would look sympathetically towards increasing advertising and field sales after certain events occur.

HON MAJOR R J PELIZA:

Mr Speaker, I really cannot understand the argument of the Minister. He seems to be hinging all his policy on whether or not the events of the frontier take place. I thought that the principle of the Government was to try and develop tourism regardless of the frontier and therefore I propose, Mr Speaker, to show how strongly we feel about this to reduce the subhead by £1.

MR SPEAKER:

You are talking about Subhead 13?

HON MAJOR R J PELIZA:

I am talking about Subhead 13, to reduce the vote by £1.

HON CHIEF MINISTER:

Mr Chairman, I might mention that arising out of the difficulties that could come because of the closure of the dockyard, there is this consultancy going on on tourism and other matters on which they are supposed to be reporting by June and when we consider that and see what effect it would have and what the advice is in the two situations of a closed or an open frontier and, hopefully, if there is advice of other measures to be taken and it comes from the consultancy we will be in a better position to approach ODA for help in respect of that so that really this is a holding operation only and if there is any need to advise us that we

could better the product with a closed or an open frontier by certain measures that they may recommend, we will come to the House on the basis of whatever comes out of the acceptance or non-acceptance of the consultancy both here and in London.

HON MAJOR R J PELIZA:

I cannot accept that at all and I would like to move that Subhead 13 - Advertising and Field Sales be reduced by £1 from £200,000 to £199,999.

Mr Speaker put the question in the terms of the Honourable Major R J Peliza's amendment and on a vote being taken the following Honourable Members voted in favour:

The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddó
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 Abecassis
The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Honourable Member abstained:

The Hon J Bossano

The amendment was defeated and Sub-head 13 was accordingly passed.

HON A T LODDO:

I had intended to ask a question on Subhead 12 but the Honourable and Gallant Major did Nos. 3 and 13 together and pre-empted me. Mr Chairman, could the Minister give a breakdown of these Sundry Festivals and how much has been allocated to these Festivals?

HON H J ZAMMITT:

Mainly, Mr Speaker, it is for Miss Gibraltar. We are, as no doubt Honourable Members know, we are not able this year to afford the assistance we used to afford to the shark angling, deep sea angling and the fishing competitions around Gibraltar because of the high cost. It was all done on overtime basis obviously at weekends and we found it quite burdensome. The increased costs of staging a Miss Gibraltar contest are quite substantial and therefore it was decided that we should only continue with one major show that Government would produce.

HON A T LODDO:

Mr Chairman, exactly how much of that £19,000 goes towards the Miss Gibraltar Contest?

HON H J ZAMMITT:

Totally, Mr Speaker.

HON A T LODDO:

Totally. Then why sundry festivals, in plural, Mr Chairman?

HON H J ZAMMITT:

Because, Mr Speaker, apart from the staging of Miss Gibraltar here in Gibraltar, recently Miss Gibraltar or the title winner, has been invited to take part in other events not necessarily Miss World but Miss Europe or Miss Nations or Miss Mediterranean.

HON A T LODDO:

Mr Chairman, I noticed that the Minister said the title winner. Should he not have said the titled winners because this year their reigns have been rather short.

HON P J ISOLA:

Does it mean that there is to be no shark angling which I would have thought was very important from the point of view of the development of Gibraltar as a tourist centre. What sort of money are we talking about that the Minister feels he cannot afford it? I noticed he mentioned overtime and that is another thing I cannot understand, what has overtime got to do with shark angling festivals?

HON H J ZAMMITT:

Mr Speaker, there is no reason why the Shark Angling Festival which is run by local clubs should not continue, what Government is unable to do is to provide the staff, the Tourist Office staff, for the organisation of it. I would like to remind the Honourable and Learned Leader of the Opposition that I am afraid much to my dismay that one cannot say it is a tourist attraction, in fact, only local competitors take part.

HON P J ISOLA:

What sort of money is involved in that operation?

HON H J ZAMMITT:

I would say that in the three operations of the Shark angling, the Deep Sea Fishing and the Pier Fishing, possibly, £1,500 or £2,000.

HON P J ISOLA:

It does not seem to me that much money, Mr Speaker, in a budget of £48m. Quite apart from that, will the Government be giving them any other assistance or help these people run it because obviously they rely on Government assistance and the thing could collapse, could it not?

HON H J ZAMMITT:

Mr Speaker, we certainly wish to provide all the equipment that we have but what we cannot afford to provide is the staff but anything we can afford in the way of assistance the Tourist Office is delighted to help.

HON P J ISOLA:

Yes, but any money?

HON H J ZAMMITT:

No money, Mr Speaker. There are no tourists involved in this venture.

HON P J ISOLA:

Well, there are not that many tourists involved in the Miss Gibraltar Contest either. We are not against it but I was just wondering whether the Government ought not to keep its options open on this one and not give it up because there might be tourists who might be interested if it were properly advertised I would have thought.

HON H J ZAMMITT:

The festivals are advertised, Mr Speaker, there are particular brochures on fishing in Gibraltar but we have not been able to encourage very many fishermen to come out here. But, as I say, the Tourist Office will be delighted to provide all kinds of assistance other than the provision of staff during weekends.

HON A J HAYNES:

Mr Speaker, on Subhead No.10.

MR SPEAKER:

We must be consistent. We must take the subheads in sequence but, anyway, do go ahead.

HON A J HAYNES:

I appreciate that. Can I have a breakdown of the sites involved?

HON H J ZAMMITT:

Yes, Sir. St Michael's Cave £2,000, maintenance of electrical equipment and electrical spares; Upper Galleries, general maintenance electrical spares and maintenance £870; Tower of Homage, general maintenance electrical spares and flags £610; Capavan site £200; mini-golf £700; the Air Terminal electrical spares £3,000, roughly, Alameda Theatre, £120, Mr Speaker.

HON A J HAYNES:

Mr Speaker, there is nothing, I take it, on the Piazza. Is the Minister satisfied with the condition of the fountain of the Piazza?

HON H J ZAMMITT:

That doesn't come under my jurisdiction Mr Speaker, the fountain at the Piazza comes under the Public Works Department, not under the Tourist Office.

HON A J HAYNES:

Has the Minister ever made a complaint to the Minister for Public Works on the basis that it is an eyesore in our central Piazza and will the Minister consider trying to discover and put together again the old fountain that used to be there? I hear the Chief Minister say it is no longer in existence. As I understand it, it was dismantled during the war to

prevent it being damaged. Thereafter it was put in a place of refuge and subsequently after the war it was for the most part lost but I am assured now the majority of that fountain has been traced and as such one could have an attractive fountain in the Piazza rather than that appalling little bath that we have there over there.

HON H J ZAMMITT:

Mr Speaker, the question of the Piazza has been brought up in the Tourist Advisory Board and that has been referred to Public Works Department who at the moment, incidentally, are painting it up and, hopefully, it will be somewhat embellished.

HON A J HAYNES:

Is there any move to improve that fountain?

HON H J ZAMMITT:

I don't know where the old fountain is and it is not for me to say.

HON A J HAYNES:

I appreciate that it is not his responsibility but we have just heard that the Tourist Board have made representations on the Piazza. Perhaps the Minister for Public Works can help us on this.

HON CHIEF MINISTER:

Mr Speaker, I would like to say a few words about the old fountain. It was raised in the days of the City Council when Mr Guy Stagnetto was a Councillor many years ago and some of the facts stated by Mr Haynes are perfectly true. First of all, it was dismantled and it was spread all over the place, then an air raid disposed of a lot of it. I understand that two or three pieces have recently been identified but it is far from giving any idea about the totality of it. I understand that the Museum Committee is interested in this matter and we will help them if we can but I don't think people should have any illusions. It was removed when the air raid shelter was built in 1938, at the time of the Munich crisis, and it has had rather a chequered career. If we can find some as a memento it will be alright but I don't think we should hope to get sufficient of it to make a reconstruction.

HON MAJOR R J PELIZA:

I hope that whatever is done is done with a little bit more urgency and perhaps more artistic as well. Coming back to

Subhead 12, Mr Speaker, which is Sundry Festivals. We feel very strongly that the shark angling, deep sea fishing and the pier fishing should be continued, that the competition should be continued. I want to stress to the Minister that although perhaps there has been some criticism on Miss Gibraltar in no way should the Contest be stopped. To express our concern at the little apparent interest that the department is taking on this festival that I mentioned before, to show our dissatisfaction we would like to reduce the vote by £1.

MR SPEAKER:

Which vote?

HON MAJOR R J PELIZA:

Subhead 12, Sundry Festivals. I move that this Subhead be reduced by £1 from £19,000 to £18,999.

MR SPEAKER:

I will most certainly accept your amendment to this one but from now on we will take subheads strictly in sequence so that we do not have to go back. Otherwise what happens is that we discuss subheads and then you get new ideas and you want to go back and I don't think that is the way to proceed.

Mr Speaker put the question in the terms of the Honourable Major Peliza's amendment and on a vote being taken the following Honourable Members voted in favour:

The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddie
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 Hon D Hull
The Hon R J Wallace

The following Honourable Member abstained:

The Hon J Bossano.

The amendment was defeated and Sub-head 12 was accordingly passed.

HON MAJOR R J PELIZA:

Subhead 14. Service of Airfield after hours which is a token of £100. I notice that in the actual expenditure of 1980-81 the figure was £5,939. I wonder if the Minister can explain why this hasn't happened in 1981/82 and it appears that it is not likely to happen in 1982-83. Perhaps he can explain what is meant by Service of airfield after hours?

HON H J ZAMMITT:

It means, Mr Speaker, that we have to pay for airport services after hours. The Honourable Member will recall that there was a time when we used to have night flights coming into Gibraltar and therefore of course we had to pay a contribution towards the services afforded at the airfield. We do not have night flights at present but we have made a provision for a token sum of £100 particularly for the reason the Honourable Member raised about the possibility of an airline operating from Denmark and if it comes after midnight we would have to pay.

HON MAJOR R J PELIZA:

In other words, it is in no way connected with the possibility of the airfield closing down or reducing their operational hours.

HON H J ZAMMITT:

We hope the airfield does not decrease its operational hours and as far as I know there is no immediate intention to do that at this particular stage. The whole matter is being looked at very closely.

HON MAJOR R J PELIZA:

I am glad to hear that because that was the main reason why I asked.

HON J BOSSANO:

The money that is being voted here has to be paid to whom, to the RAF?

HON H J ZAMMITT:

Yes, to the MOD, Sir.

HON J BOSSANO:

And on what basis are the charges decided, Mr Speaker?

HON H J ZAMMITT:

I think that if a plane comes in and has an hours turnabout it is the normal charge plus a percentage. If it has a turnabout a little longer it has the normal charge plus something else. If the Honourable Member would like to know I will certainly get the actual figures. There is a rate and some percentage increase according to the turnabout.

HON CHIEF MINISTER:

This is mainly the extra payment that had to be made to the Air Traffic Controllers for working outside the hours provided by the normal then or present working hours of the airfield. It is to compensate either the MOD or the individuals, we don't know, I think servicemen are supposed to be on duty 24 hours a day. This was the extra expenditure provided for the running of the airport after the normal working hours on a basis which probably includes certain changes and so on which worked reasonably well because it was worthwhile having that extra traffic when it occurred. That is the basis of it but I would like to divorce that from the other situation which is being considered separately.

HON J BOSSANO:

Mr Speaker, I cannot see how the Honourable Member can divorce it because it seems to me we are accepting the principle that the use of the airport after certain hours which the RAF does not require, has got to be paid for by the user, I would have thought, but apparently the Gibraltar Government accepted the liability instead of the user having to pay for it. It seems to me that if the Air Force tomorrow comes along and says: "We don't need the traffic control people until midnight, we only need them until 10.00 o'clock", the fact that we are already paying for using them after midnight clearly is an acceptance on our part of the principle that we should pay if they are going to be available after a certain time and I cannot agree with that. I think that certainly the Gibraltar Government should not be paying for it because I understand from what the Honourable Member said that it is their normal rate plus a premium for use after certain hours and, presumably, before those hours the Gibraltar Government pays nothing.

HON H J ZAMMITT:

There are landing charges.

HON J BOSSANO:

Yes, but that is not paid by the Government that is paid, surely, by the aircraft operator. The extra charge levied by the RAF is what the Government means and the normal charge is met by the operator. Well, I don't see why the Gibraltar Government has to accept this at all and I am voting against it.

HON CHIEF MINISTER:

Well, that has already been voted in previous years. It was in order to encourage certain tourism that wouldn't have come otherwise that we agreed to help. This is to some extent a subsidy to tourism. We have accepted to maintain the status quo and we do not know whether within that status quo, if it is maintained, there will be anybody who will be wanting these extra hours for which we consider it would be in the interest of tourism to foster that kind of traffic.

HON P J ISOLA:

Mr Speaker, I think one ought to remember the circumstances under which this amount was voted originally. If I remember rightly, and I think the Honourable Member would have been in the Air Transport Advisory Board on this, what happened was that in 1980-81 and before the only time charter flights would come into Gibraltar, put it that way, was in the middle of the night and that was for their own operational reasons and I think that the Ministry of Defence said: "Alright, if you want to come in the middle of the night when everybody should be in bed, you will have to pay the additional charges". I think that the tour operators then turned to the Government and said: "If we do this we just cannot fly at all to Gibraltar". In those circumstances the Government paid these fees and I think that is how it got into the estimates, I don't think we can frankly vote against that token on the principle that my Honourable Friend is advocating because the negotiations have not been completed. I agree with him in the different situation, to be told that after 5 o'clock we cannot come in, and I think one would protest strongly but I don't think we ought to make this vote frankly, a vote in that particular crusade because it has got in as a result of the Gibraltar Government initiative in an effort to help the tourist industry. Whatever arrangement is done with the Ministry of Defence and I hope it will be one that is reasonable and fair to Gibraltar's interests, I think we should then vote on that but I would be reluctant to vote now on this particular item.

HON J BOSSANO:

Mr Chairman, I do not recall the initial debate on this item but I do recall, certainly, my opposition to the stand being taken by the RAF when they wanted to eliminate the use of the airport at night and they were saying that they needed to keep the lights on the runway and so on when we had quite heated debates a few years ago. I certainly recall my opposition at the time to us giving in to pressure from the RAF and saying in this House that they should be paying us for using the airfield and not the other way around.

HON CHIEF MINISTER:

The circumstances are as the Honourable Leader of the Opposition has rightly detailed. He is in this Advisory Committee on air transport and has a better recollection of the details of it but the principle is the one that I have enunciated.

HON MAJOR R J PELIZA:

One thing is to subsidise the airlines to some extent to enable them to come and another thing is literally to pay for the running of the airport which I think consists more than just the traffic controllers. On the other hand I think it is right that we should have a token but also we should bear in mind that if there is a demand to come to Gibraltar then, perhaps, the Government might be able to shift the cost to the airline if in fact they are operating successfully in which case I am sure they would be prepared to pay. This is why I agree with the vote being there which gives us the option of either subsidising or not subsidising the aircraft depending on the situation at the time.

On a vote being taken on Subhead 14. Service of Airfield after hours, Honourable Members voted in favour with the exception of the Honourable J Bossano who abstained and Sub Head 14 was accordingly passed.

HON MAJOR R J PELIZA:

Yes Mr Speaker, Subhead 16, Bermans Exhibition. This is now costing a considerable amount of money and I would like the Minister to tell me for how long we are going to pay this. I have made a total of what it has cost us and up to 1982-83 it comes to £50,055. I just don't know how much more we shall have to pay. Also, whilst on this, I understand that they do also get a royalty on the souvenirs and I do not know whether that is shown in the estimates or how it is paid and, perhaps, the Minister could give us an indication of how much more we have got to pay for this exhibition and how much, if this has not been shown already, they get for the souvenirs royalty.

HON H J ZAMMITT:

Mr Speaker I am afraid it works entirely the other way. The Honourable Member will find that we are paying a reducing sum every year and that is because the percentage is reduced every year until the time will come, I think it will be at the end of February 1985, where we have to pay nothing at all and therefore the total sum received will be for Government. We have been paying 35% of the additional charges but don't forget that we are making 2/3rds of that. We were paying 35% to Bermans between February 1981 to February 1982. Then 30% from February 1982 to February 1983, then 20% from February 1983 to February 1984, 15% from February 1984 to February 1985 and then it is ours and we have to pay no more percentages to Bermans so it is not costing us money, it is that they are getting 1/3rd of what we are making at this stage and, of course, it is declining as the years go by.

Other Charges were agreed to.

Special Expenditure.

HON P J ISOLA:

Head 80 Replacement of Motor Vehicle. Is this the replacement of the Tourist Office car?

HON H J ZAMMITT:

Yes, Mr Speaker.

HON P J ISOLA:

I must say it has had a very long life and I think it is fair but does the Government think they are going to get a new one for that price or is it going to be a trade-in?

HON H J ZAMMITT:

It is going to be a trade-in, Mr Speaker.

HON A J HAYNES:

Mr Speaker, could I have a breakdown on Head 81?

HON H J ZAMMITT:

This is just a token vote and it provides for the embellishment of existing exhibits.

HON A J HAYNES:

It is not a token vote to purchase new exhibits at a later stage?

HON H J ZAMMITT:

No, this is for improvement of existing exhibits.

Special Expenditure was agreed to.

(2) London Office - Personal Emoluments.

HON MAJOR R J PELIZA:

Mr Speaker, has the Minister considered employing in the Tourist Office someone who has had long experience of selling tourism in the United Kingdom, working perhaps for one of the well known companies, who do have a personal contact with tour operators because I know from personal experience myself in business it is most important to gain entrance into the bigger operators and maintain a good relationship towards sales.

HON H J ZAMMITT:

Mr Speaker, Government will consider anything that it considers to be of benefit to the tourist trade in Gibraltar from the London Tourist Office. I would remind the Honourable Member that apart from employing our consultants, our advertising agents, we have taken on on occasions additional consultants to carry out some surveys and follow up of the advertising campaign the Tourist Office conducts in their trade promotions throughout the UK. I would also remind the Honourable Member that we now have a person dedicated to field sales that goes around visiting tour operators and travel agents from the London Office which we didn't have before.

HON MAJOR R J PELIZA:

I take the point and I am in no way minimising the good work that the young salesman may be doing but any businessman will tell the Minister that the way to get into any business is to try and get a person who has had long years of experience and long personal contact with the other buyers, shall we say, of the companies and they find that the doors open very quickly and the results are very successful in most cases and I would like the Minister to give serious consideration to that. Perhaps when the consultants come over they might have views on that as well.

HON H J ZAMMITT:

As I have said we are prepared to consider it. In fact, we had some kind of visiting before and I would say that the results were not very satisfactory.

London Office - Personal Emoluments were agreed to.

Other Charges were agreed to.

Special Expenditure was agreed to.

Head 25. Trading Standards and Consumer Protection.

Personal Emoluments.

HON J BOSSANO:

Didn't the Government say last year that they were keeping on the UK-based Consumer Protection Officer but paying him from local funds. Can we have a report on the situation? Has he been replaced by a locally trained person, or not?

HON A J CANEPA:

He left last December and the question of localisation of the post which is the objective has been mixed up with the review of the senior grades. Until that is settled and therefore a decision is taken on the grade of the post, we cannot take steps to fill the post. What you have now is an acting appointment.

HON J BOSSANO:

Does this mean that we will need to take somebody in at the bottom? For example, I imagine that the post will be filled from within the Department itself by promotion?

HON A J CANEPA:

Not necessarily. The post will be advertised and depending on the grading of it decided as a result of consideration of the review of the senior grades, depending on the grading of the post of Consumer Protection Officer, a decision will have to be taken about which grades are eligible to apply for it. Let us say, for instance, that it was graded at the level of the head of a small department, then the normal procedure, I think, is that it is usually Senior Executive Officers or Higher Executive Officers that apply for those posts. I think what the Honourable Member has in mind is the need for a professional input into the post. We have one recently recruited and recently trained Gibraltarian Trading Standards Officer who only started about 6 or 7 months ago and the likelihood is that there will be another one returning later on in the year. I don't think that under the present circumstances we could have someone who has recently returned to Gibraltar being promoted to Consumer Protection Officer. In years to come I would envisage that it would be a requirement that the Consumer Protection Officer should have the qualifications required for a Trading Standards Officer but not under the present circumstances.

HON P J ISOLA:

Wouldn't the Government be wise before upgrading these posts and enlarging this Department to look at the legislation because I would have thought that with no Trade Descriptions Act in Gibraltar and other consumer protection legislation, that the danger is to upgrade this department too much, have a lot of bodies in and then at a later stage bring in legislation that requires more staff.

HON A J CANEPA:

There is no danger that we are going to increase the size of the department; there is no intention to do that at all, and there is no intention to upgrade the post in the sense that when the post was held by someone recruited from UK the grading of it was that of the head of a small department. I cannot envisage it being graded beyond that but I think the point that the Honourable Member has made is valid. Even from the forward looking point of view it could well be, for instance, that in an open frontier situation we may have to reconsider whether there is a need to have price control any longer and if there wasn't a need to have price control then it could well be that, if anything, the move should be in the opposite direction of downgrading the post rather than even maintaining it at the level envisaged.

HON A J HAYNES:

Can the Minister say whether it would be possible to merge this department with another to save on staff, or not?

HON A J CANEPA:

Some consideration has been given to merging it with the Environmental Health Department but I don't think it would result in any saving of staff having regard to what there is, there is very little staff in the department.

HON A J HAYNES:

A matter of a secretarial nature, perhaps?

HON A J CANEPA:

No, I don't think so.

Personal Emoluments was agreed to.

Other Charges were agreed to.

Special Expenditure was agreed to.

Head 26 - Treasury.

Personal Emoluments.

HON J BOSSANO:

Given what the Honourable Member had to say on the questions that the Leader of the Opposition asked about temporary staff being taken on and shown in the estimates as supernumerary, I am surprised to see that there should be two Clerical Assistants supernumerary this year which were not there last year. I wonder what is the explanation for that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

These are short-term appointments, Sir, to enable the Billing Section to get up-to-date with telephone bills before we put them on to the computer. We found that we had not enough staff to do on-going work as well as to go back on to Telephone bills with information that would be required to go on the computer. These are temporary staff and they will not be required full-time.

HON P J ISOLA:

Mr Chairman, I am concerned about the computer office which I notice has 10 persons. Some while back when both the electricity and the water bills were computerised, we were led to believe that the telephone bills would also become computerised shortly after and further work would be given to the computer. Can I ask the Financial and Development Secretary why it seems to be taking so long to have programming increased in the computer?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir, because it took us nearly nine months to a year to get a Computer Manager when the old Computer Manager left and it has taken us even longer than that to get a computer analyst who said it was not possible to write the programme for the telephones. We tried to get the programme written locally by a local consultant who works here but that did not prove practicable and now I am afraid that the telephone programme will not come in until IDD is brought in. However, a computer analyst was due to arrive on May the 3rd, I am not quite sure whether he has arrived or not, and with his arrival we should be able to begin now on rates and wages and salaries and he will be able not merely to write programmes but also to train local staff.

HON P J ISOLA:

Does the Honourable Member think that all that work will be undertaken during the current financial year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I sincerely hope so, that is the intention.

HON A J HAYNES:

Does the Honourable Financial and Development Secretary anticipate problems with the programming of the computer? Is it that the man who was first brought out was not competent?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Sir, what it was that the original computer manager came for two years and when he was asked whether he would continue for a further two years at first he said that he might and then for personal reasons to do with his family he decided that he didn't want to continue. We then went out and interviewed and got another person, a lady who was due to come, and she decided that she didn't want to come, and there was a chapter of accidents that delayed and delayed and delayed. This is the reason.

HON P J ISOLA:

On the Economic Planning and Statistics Office. I know the Economic Adviser is qualified but do the Senior Executive Officers and Higher Executive Officers in that department have any qualifications?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir.

HON P J ISOLA:

The other point I would like to ask, Mr Speaker, is the Gibraltar Broadcasting Corporation, Senior Clerical Officer and Recording Assistant. What do these gentlemen do? Why is there a head for Gibraltar Broadcasting Corporation under Treasury?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think, Sir, I will have to check this, that they are staff who are working for the Corporation but have to be shown within the Treasury establishment for pension purposes. They are seconded. We have the same problem with Mackintosh Hall. I think the Honourable and Learned Member will remember that we had to bring these into the Treasury establishment otherwise there were not pensionable. They are seconded staff which are not paid for but they have to be shown in the establishment because they hold pensionable posts.

HON P J ISOLA:

But they are paid for by GBC?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Speaker.

Personal Emoluments were agreed to.

Other Charges

HON A J HAYNES:

Subhead 8. Care of Apes. How many apes do we have now?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think it is 34 and their allowance has just gone up. £82.50p was the cost per ape and it has gone up by 10.1% and they now get £90.83p.

HON A J HAYNES:

Is the general health of the two packs salubrious? Are they producing well?

MR SPEAKER:

I do not think the Minister should be in a position to give answers to that extent, even on apes.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I have had no personal representations from them.

HON A J HAYNES:

Who is in charge of the naming of the apes? Does the Honourable Member know?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think that proposals come forward from the Sergeant in charge through Fortress Headquarters and they are put forward as suggestions to His Excellency the Governor.

HON A J HAYNES:

One last question, Mr Chairman. As I understand it there is some problem with our disposing of apes which are born to the pack and which we cannot afford to keep. Is that correct or not?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Sir. If we wish to dispose of them I have to sign an order to arrange for them to go to a zoo or a natural park somewhere. When I first came in 1979 we sent some to Italy to a free-range park there and we did it again last year but this year there have been no proposals so I can only assume that the apes have not been quite so fecund possibly due to the drought or hot weather, I am not sure.

HON A J HAYNES:

Is it the intention to keep the pack at that number or is there any intention of increasing the size of the pack?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think, Sir, that we shall keep them at this number.

HON A T LODDO:

Mr Speaker, perhaps if we have too many apes we can give some to the Falkland Islands, they will derive a lot of satisfaction from that.

HON P J ISOLA:

In view of the great interest taken by my Honourable and Learned Friend on the matter perhaps the Governor might consider calling the next one Andrew. Mr Speaker, Subhead 11. There is a big drop from £38,000 to £18,000 on Computer Expenses. Could I have an explanation?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The main reason for this is that we had to purchase a number of display screens and additional memories last year and whilst this year we are also purchasing additional display screens and some upgrading of the main storage for memories, the amount is not so much as was required last year.

HON P J ISOLA:

Could I ask on the maintenance of the City Hall, that is just wages, I presume, cleaners and things like that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Wages are some £14,000. Electricity and water is £3,500 and stores and brackish water rate.

HON W T SCOTT:

Has Government considered the purchase of smaller micro computers and self integrated machines to several and distinct Government departments at a fraction of the cost that perhaps a terminal might be to their main frame computer?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir. When the new computer Manager came, one of his first tasks was to go round to each Government department and look at their problems insofar as it might be solved by the process of computer or putting information on to a computer and to suggest where micro computers might be used instead of going straight on to the main computer. This report has now been completed and we are considering it but there are financial constraints at the moment. One or two departments wish to buy micro computers for such things as control of stores, business names, recording of traffic in an open frontier, customs control, the Economic Adviser wanted one for information for his statistics. Because, actually, the computer manager has been round there is a tremendous rush of people to buy them and we really couldn't afford them all this year so what we are trying to do now is to sort out our priorities.

HON W T SCOTT:

So this is an on-going thing and they will be looking at it and monitoring the situation closely?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir.

HON A J HAYNES:

Subhead 15. Insurance of Government properties. Can I have an explanation as to whether any modicum of re-insurance is included in this sum?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, the Government has just completed a rather lengthy, I am afraid, rather lengthier than we would have wished, study of insurance of Government properties and having had conflicting advice, as I think I told the Honourable Member in answer to a question some time last year, on re-insurance or not, we went out to a number of companies, some in the UK and some here, to ask them to put in their proposals for the insurance of Government properties and it was open to them

to suggest whether it should be done through a re-insurance or by direct insurance. At the same time, two officers from the Treasury went back to the United Kingdom, discussed with companies there as well as companies here, and also with the Greater London Council the question of insurance of properties. As a result of that the Government has decided that it will only insure selected items of its property and this is in line with the policy adopted by the Greater London Council and will, for the rest, build up its own insurance fund. The amount that the House is being invited to vote now for insurance is to go into the Government Insurance Fund from which we shall pay out in due course the premia on those properties which we propose to ensure specifically. For example, I would say that the new generating station and the equipment in it is one that we will need to insure. Once we have decided which property we are going to insure then I will either make a statement in the House or will let the House know through the medium of a question.

HON A J HAYNES:

I am much obliged.

HON P J ISOLA:

On Banking Consultancy. Can I ask if it is a continuing item or does it finish at a particular time and could the Financial Secretary tell us something about this item, what it involves.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, we found because of other commitments in the Treasury that we were not making the progress that we would have wished with the Banking Bill and we brought in a retired Bank of England Official to help us with the drafting of the instructions to the Attorney-General for the Bill. He did some work for us in the United Kingdom and he came out twice during the last financial year; one period of two weeks and a period of three weeks and whilst he was here he did go round and he talked to the Banks and met them and I think that it is thanks to his work as much as to work in my own department that we managed to get the Banking Bill before the House now. We have included provision for a further visit or possibly two visits should that be necessary, so that he can be here in the House at the Second Reading debate to hear points made by Honourable Members and also at Committee Stage in order in the more technical parts of the Bill that the House will have his advice which will be conveyed through me or through another Minister. Beyond that, Sir, this was a thing that I would have brought up on the Second Reading debate on the Bill but I will mention it now, is that we shall need a Banking Supervisor if we are going to run the new Banking Ordinance properly and I should

be mentioning in the Second Reading speech the sort of money we shall probably require for that and of course that we hope to meet the cost of it through the licence fee to be paid by the banks.

Other Charges were agreed to.

Subventions.

HON P J ISOLA:

Mr Chairman, with regard to the Gibraltar Broadcasting Corporation, the colour television item doesn't present a problem because I think this is a capital loan which I presume will finish at some particular time. Am I right in thinking that probably this payment this year may be the last, I don't know? But with regard to the grant-in-aid of £750,000, which is an increase of £115,000 on the previous year, could I ask how this figure is arrived at?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, the Corporation send in, as does any Government department, its estimates for expenditure and projected income for the year. The Treasury staff dealing with the estimates then go through the details with them preparing the way where they can. Then, eventually, the papers come to me and in the light of the overall financial situation as with all other departments, I take a view on what additional cuts are necessary and in consultation with the Chief Minister because there is not any other minister who is responsible for this, we had a meeting with the GBC and we did in fact cut back quite considerably on the original estimates.

HON P J ISOLA:

So that basically it is really a Government department, Mr Speaker, is it not, in the sense that it puts forward its estimates like any other Government department, the Government looks at it, the Chief Minister is consulted on the matter, and what GBC gets depends entirely, does it, on the decision of the Gibraltar Government, on the same basis that they decide what money they will give the Education Department or anybody else?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

To an extent that is true but if I may say so it is slightly simplistic in that whereas one would be expecting in a department to provide for a development of the service here what we are looking for is to hold or to taper the subvention. That is my own personal view on this that with the GBC subvention as with all subventions basically, one should be

tapering them. Holding them, in money terms, trying not to have an increase in money or real terms. This year I think that one would probably have been rather tougher on the figures had it not been for the possibility of an open frontier, this may have affected our thinking.

HON P J ISOLA:

Mr Speaker, the tapering thing is not quite correct, is it, really, because the amount actually spent in 1980-81 was £589,000, the approved estimates for 1981-82 was £615,000; revised is £648,000 and the 1982-83 estimates is £730,000. What I would ask the Financial Secretary is that if the Gibraltar Broadcasting Corporation, in effect, I know technically it is meant to be independent but in effect it appears to be entirely reliant on public funds and the amount it gets from public funds depends on following the same procedures as any other Government department follows, they put up their estimates, they ask for the money, presumably they asked for more than £730,000 and the Government decides to cut down, the Financial Secretary in consultation with the Chief Minister decide to cut down or not cut down depending on the case they make. Would he not think that it would be much fairer to the House if there should be in the Estimates a separate vote on the Gibraltar Broadcasting Corporation, a separate Head which details its requirements so that the House can see where the money is going because we are being asked, Mr Speaker, under Subventions, to vote to the Broadcasting Corporation almost £1m. If the procedure that is being followed is in effect similar to a Government department and it seems to me without doubt that that is the position, then would it not be right and proper to have a complete itemisation, like any other department of the Government, of the subvention. It is unfair to ask this side of the House to vote £835,000 without knowing how that money is spent especially bearing in mind, Mr Speaker, that under the heading Wireless Licences there is a paltry £100,000 is all that is envisaged as revenue so that really the Gibraltar Broadcasting Corporation, whatever way one looks at it, is not just subsidised by the general body of taxpayers but paid for almost entirely by the general body of taxpayers and because of that as a matter of principle I think the elected members, the elected representatives of the body of taxpayers, should be able to look at its expenditure in a Budget in the same way as they look into any other department. I would ask the Financial and Development Secretary whether he does not consider it right that this should be the future pattern because otherwise, Mr Speaker, we could ask for a breakup of that and we would be here until doomsday. We are not going to ask for a break up at this meeting of the House but we would like some assurance on this because we are concerned, obviously, we must be concerned at the increasing liability on the taxpayer of this Corporation. We do not by that mean

to say that we do not consider the work being done by the Corporation as far as broadcasting is concerned and so forth excellent work but we do think it should be subjected to the scrutiny of the House in the same way as other departments are and in the same way as the Financial and Development Secretary scrutinises it and the Chief Minister scrutinises it and I think other elected members should have the same opportunity.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, there is some force in the argument put forward by the Honourable and Learned Leader of the Opposition but I would remind him that this is a statutory corporation and to that extent it is no different from a corporation in the United Kingdom where the Houses of Parliament are asked to vote what are in effect subventions to industries such as Leyland or whatever else. Secondly, the House does have the accounts of the Corporation presented to it, they go before the Public Accounts Committee who look into them and this just gives the breakdown, not in detail, but it does give the broad breakdown of the expenditure of the Corporation into staff, salaries other charges etc. I agree that these figures are not available to Members at the time that a vote is taken and it is possible that we could arrange for those actual amounts to be given. I think one has got to avoid to get into detailed debates where an organisation is a corporation and it is not under the direct control of the Government.

HON P J ISOLA:

We are talking about the independence of the corporation and I cannot see how it is to be regarded as an independent corporation if, in effect, its expenditure is entirely underwritten by Government, by public funds. We are concerned in this, Mr Speaker, because one reads a lot, one hears a lot and so forth about the corporation and people think there is a lot of unfair competition and so forth. I don't particularly agree with that sort of criticism. British Leyland was an example taken you can take others the Coal Board and so forth, they get a subvention but they have a cash flow. Here you are dealing really, in effect, with a body of people who only collect advertising. The Government collects the television licences, the Government collects the wireless licences and so forth. I think the BBC has a subsidy, for example, but this is a corporation that gets a very substantial amount, who are almost entirely underwritten by the taxpayers and it is no good giving us the accounts after the event, that is much too late, Mr Speaker. I think we should be entitled to question this, in effect for practical purposes, departments of Government, their expenditure, in the same way the Financial Secretary can and in the same way

as we question other departments of Government. I don't want to labour this point very much, Mr Speaker, but we cannot be expected to give a blank cheque (a) to the Government, in what it is to the corporation otherwise they could give us all the other heads the same way just the full amount and that's it. (a) to the Government and (b) to the Corporation. I think it is a matter of public concern when nearly £1m of public funds are spent, that the elected representatives of the people who are paying that should be able to examine them at the time the money is voted in more detail. If the Government was merely saying: "GBC, you spent £600,000 last year, that is what we are going to do now, we give you £600,000 every year, we do not want to know anything about it. It is up to you to make your income, it is up to you to meet your liabilities". That is a different situation but a situation where in effect the corporation is giving the Government detailed estimates of its expenditure it is like any other Government department. Whatever the Ordinance may say, whatever anybody may say, it is like any other Government department, it is being underwritten by the taxpayer and therefore the vote should be controlled. We are not seeking interference of how it is run or anything like that, that is their job, there is a Board of people there but certainly we are entitled to have, I believe, a closer say in the expenditure of that department.

HON CHIEF MINISTER:

The Honourable Member has said that we are not seeking to say how it is run but if you are going to go into the details of the corporation's account you are and I doubt whether we can get anybody who will serve voluntarily with a sense of responsibility as the people in the Gibraltar Broadcasting Corporation, the Board, are doing, if they are going to be treated as another department because they are not. They are and they are not in a sense and in fact the last remark of the Honourable Member is the way we are going, that is to say, to try and fix a subsidy and let them fend for themselves in the rest. To some extent we have done that this year. Let me say, first of all, that I do not go into the details. Though I am consulted I do not go into the details of the corporation's account. I make no apology for that, that is not for me to do that is for the Financial and Development Secretary and his department to do and see whether the various expenses are justified and so on. But there are other aspects of it. We may get questions from the other members of the Opposition about why we haven't made other provision in respect of claims that there are from the staff about certain staff inspections and so on. This is a very difficult situation, the people there are being paid under terms of parity with BBC in pursuance of parity policy in Gibraltar. To that extent sometimes there are elements which have to be contained because otherwise the matter would get out of hand and it would be beyond our resources. But if

you start cutting too much they will say: "You cannot run a corporation the way you want it if you are going to deprive us of the money we need to supplement what we are getting and our idea is to try and increase our own income in order to be able to become if not totally independent at least subject to a fixed subsidy and to fend for ourselves in respect of the other according to our policies and according to the extent to which an attraction can be made for further advertising and so on". The Honourable the Leader of the Opposition has mentioned several times that it is like a Government Department. Well, let it be quite clear that the corporation is a completely independent organisation which sometimes annoys one side and sometimes annoys another. I happen to have here this morning a letter from the Chairman apologising about a misreporting of something I said here. I just say this as an example to the fact that the Government has got as much complaint as to the running of the corporation as anybody else has. That shows that it isn't a Government run body and that is what we want to preserve because the day we have that under Government control then we shall be getting the example of what we are seeing across, the way where the media is directed by Government policy and that is something, as far as I am concerned, whatever differences I may have with the way the corporation may present certain things, I will ensure that that corporation is an independent corporation and does not go under the hand of any particular party. Having said that, we are very conscious about the question of costs, indeed, we have made one step towards that ideal thing of having probably a fixed subsidy which might well be altered with increases in the cost of living or increases in index prices or whatever it is because otherwise it would diminish as the years went by and in that respect in discussing the matter this year and in order to bring down the amount required, the corporation undertook to provide themselves a very substantial amount £50,000 more that they had provided for their income, with extra advertisements and so on. We have had some extra bodies added to the corporation this year, again in anticipation of the opening of the frontier and the possibility of obtaining further advertisements in an open frontier situation but we have resisted certain elements of the staff inspection which provided for much more expenditure in order to contain it but we have resisted it on the basis that certain services that the staff inspection provided for we couldn't afford to pay. I will tell you what they were, this is set out in a Council of Ministers paper which was considered at the time and that was the seven-day news service which would have proved very costly because of the overtime element. If you want that you pay for it. We also resisted the provision of a modest news service in Spanish over a 5½ day week to replace the BBC Spanish service which closed down on the 31st of December, 1981. Well, it wouldn't be very difficult

to get somebody to monitor the BBC and get it in English as they do, have it translated, have it prepared and the people to put it across. That all costs money. Hopefully there are rumblings going on in Bush House that perhaps because of the Falkland situation the Spanish news service may be resuscitated. I hope so, I have given my full support to that idea and I urge that it is absolutely essential that the Spanish people should have the right type of information on the present crisis and not have the people being completely brainwashed as they are by the Spanish controlled radio and television. The other thing was the fact whether if you had two radio frequencies as we have now that you could have one with pop music, one with something else, and provide better service. That was all in the recommendations of the staff inspection but those are in our view, without in any way interfering and if they can afford to do it good luck to them, these are in our view frills to the service which we cannot afford. We cannot afford that. We cannot afford to have the two frequencies with different programmes because it costs more money. If they want to do it they are perfectly free to do it but unfortunately we are not in a position to provide them with the cash for such requirements. That is why there has been some downgrading of the staff inspection which provided more people for carrying out these additional frills which we have decided, as far as we are concerned, that we cannot afford. We do not interfere whether they want to have it or not, the point is that if they want to do it without money we just haven't got the money to do it, certainly not this year and certainly not in the present situation. This review that we have done on the question of the additional staff required from the staff inspection reduced that element of increase from £200,000 to something of the order of £60,000. So there, irrespective of the continuing need to run the service in an independent way, there were decisions we were taking in which we said we could not provide additional expenditure to provide this service simply because we cannot afford it. Then, of course, there arose the need about the extra staff which has been, I hope, engaged on the same terms as we have engaged the rest of the people, on a temporary basis, and that is an increase in sales representatives and graphics and photo assistant which is required to do commercials. We cannot on the one hand complain about ready made commercials from abroad whether they be in Spanish or in English, particularly in Spanish, and not produce our own whether in Spanish or in English. That is how the matter stands, Mr Chairman. We are conscious of the costs, I think Honourable Members have provided with their consent a good equipment and a good service, we have got an asset there which is occupied by the Gibraltar Broadcasting Corporation, we have got reasonably good premises having regard to the very difficult circumstances under which they were working at Wellington Front which couldn't be continued under any circumstances, it is only fair and proper that they should have good premises and good equipment. It may be that from

time to time some of this must be reviewed, they are not everlasting, and we have provided as much as in the circumstances of Gibraltar we thought we were able to. I think, Mr Chairman, that the root of this matter is are we having a Government department to run and then have a Head of the department paid by the Government or are we having a corporation which would use their judgement, and who are conscious of expenditure. Like every other department they want as much as possible to run it properly. They are very well aware and they are as interested in bringing down, I can say that for the corporation in general, that they are as interested in bringing down the extent of the need to come to Government for money as we are to vote such money.

HON P J ISOLA:

The Chief Minister has, in fact, proved the point I was making, that it is entirely dependent on the Government for its funds and I cannot see how a corporation, albeit there is a statute and albeit there is a Chairman and representatives on the Board, can say it is independent when it is entirely dependent on the taxpayer for its maintenance. The Chief Minister has talked about interfering with the corporation, that nobody would serve on the board if what we are asking for were to be done. The Government has done it themselves, it is quite obvious from what the Financial and Development Secretary has said and the Honourable and Learned the Chief Minister has said, that they put forward their estimates of expenditure and that the Government looks at them more or less in the same way as they look at the expenditure of any other department. The Honourable and Learned the Chief Minister has waved a paper for Council of Ministers. That means that all ministers have decided what ought to be done with the Gibraltar Broadcasting Corporation request. They have cut them down in a particular item from £200,000 to £60,000. Mr Speaker, if that is not interference I do not know what is. I am not blaming them for it and I am not suggesting that this part of the House would act in the matter any differently but what I am saying is that nearly \$1m of public money is going to a corporation, that amount has already been scrutinised by the Chief Minister and the Financial Secretary and now it appears also by other Ministers and I cannot see, in principle, why we cannot have an itemised statement of the GBC expenditure because we would be entitled to ask for it now and we could spend hours here, Mr Speaker, writing every item down. I think it is wrong of the Chief Minister to suggest that by asking for the expenditure of the Corporation to be scrutinised by the elected representatives of the people, we are in effect trying to influence the Corporation or we could be deemed to be trying to influence the Corporation because we could do that anyway with this if we wanted to, we could take this as too much money but we have not said that.

MR SPEAKER: (

I think, in fairness, we have gone deeply into the matter, with due respect to the Honourable and Learned Leader of the Opposition, he has had his say and he has had his reply. This is Committee Stage and if the matter is of such importance it can be discussed at a future date under different circumstances but we must limit the matter to what we are entitled to do in Committee.

HON P J ISOLA:

Mr Chairman, I, of course, bow to your ruling but I would ask the Financial and Development Secretary if he can give me an assurance that in next year's estimates the expenditure of the Gibraltar Broadcasting Corporation and the details of the subvention and how it is to be made up will be laid before the House or be given to Members with the estimates and, finally, one last question, I would ask the Financial and Development Secretary, in view of the fact that GBC pays no rent for the accommodation it occupies, whether this in effect is not a further hidden subvention and what does the Government calculate is the rental that the taxpayer is losing as a result of allowing GBC to occupy their premises rent free, I think we ought to have the full picture.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, the Government will look at the request made by the Honourable and Learned Leader of the Opposition against advice on to what extent it would be proper in this House to divulge information about a statutory corporation. There are rules on this and I think we would have to look at it very carefully but we will indeed look at it in order to see to what extent we can meet his request. Any information provided would include what the subvention on the rent is.

HON MAJOR R J PELIZA:

Could I just make two very short contributions, Mr Chairman. One of course is that if the accounts which are now being looked at by the Government alone is looked by both sides of the House then there is less likelihood of there being any interference at all because both sides will be taking part in that and, secondly, Mr Chairman, have we had any indications of when it is likely for GBC to be in a position to broadcast the meetings of the House?

MR SPEAKER:

I will say what I said last year on this one and I do not want to go into the facilities of GBC to be able to do that, that

is a matter for the Gibraltar Broadcasting Corporation exclusively, but the advisability of broadcasting the proceedings of the House is a matter for the Rules Committee and it has not as yet been discussed. The Rules Committee meets when any Member wishes it to meet by asking me, as Speaker, to convene a meeting. I do not belong to the Rules Committee but if the House wishes to discuss the matter I would suggest that an application should be made for a meeting of the Rules Committee to be called for this purpose.

HON MAJOR R J PELIZA:

Yes, Mr Chairman, I can see that side of the problem but the other one is is the Chief Minister in a position to say whether GBC is in a position to do it, if the Rules Committee agrees to it?

HON CHIEF MINISTER:

I understand that they are now technically in a position to do so and we would have to ask what the cost of it is.

HON J. BOSSANO:

Mr Chairman, let me say that I disagree with the implied criticism that there is about the financing of GBC. I support fully the amount that is being contributed and I do not think it is enough. My knowledge of the operation of GBC which I have from the people who work in it, not from the Members of the Board, is in fact that GBC is providing an extremely economic television service and one has got to compare it with what television services cost and there is no reason why people who are in GBC should expect to have to be content with less than they would earn by working in the same field in the United Kingdom any more than anybody else in Gibraltar that is organised through the Trade Union Movement has to because in fact that is the established policy of the Trade Union Movement, to obtain parity of wages and conditions of employment for employees wherever the Union has got negotiating rights. Every Union in Gibraltar subscribes to that and the staff of GBC, obviously, expect no less and I do not think it is accurate to talk about subsidies, the reality of the situation is that it is a political decision that we should be running a television service for a population of 25,000 in a place which is two square miles which is an extremely expensive business because we are providing a service for a very reduced market and it is of the same order, as far as I am concerned, as providing expensive electricity because we do not want to depend on Spain for electricity, expensive water, because we do not want to have water coming in from Spain, it is a political decision to provide the service and I do not think it is correct to expect that the service should be provided

at the expense of the people working in it, that they should be the ones who should take a cut in the standard of living. I have no objection to what the Honourable Member has been asking for in terms of information, I am not at all sure what the constitutional position would be if we actually had a Head called GBC and then votes and we had to vote each item then, presumably, the Corporation's Board of Directors would be meaningless because the House would be voting each individual item. I certainly see nothing wrong in the information being available, perhaps, as an annex like we have annexes in the I & D Fund, where, in fact, we are voting the money but we know where the money is going and let me say that I certainly oppose the idea of a fixed subsidy and I think it has to be understood that it is not the desire from my understanding of the constitution of GBC that they should have to come to either the House of Assembly or the Government for money, they would much prefer to be totally self-financing in the sense that they were able to raise sufficient revenue directly themselves not to have to be scrutinised by anybody outside, I think it is only natural they would expect that, I think almost anybody prefers that situation but the reality of the situation is that the money that it costs is there and the only way one can be critical, in my judgement, is to say that people are spending money unnecessarily. I cannot accept the implication that is there and, in fact, I can tell the House that I have serious doubts about whether the service can continue to be provided for the sort of money that the Government is contributing. In fact, when the Honourable Member was talking about the staff inspection and saying it had been reduced, it is not just being reduced, Mr Chairman, the recommendations of the staff inspection have been massacred, the amount of extra staff that has been provided has been negligible and from the point of view of the staff represented in GBC the situation is an unsatisfactory one in the sense that the forum for union negotiations is inadequate because at the end of the day if the staff side succeed in convincing the management and the Board that a post or an expenditure is desirable from an operational point of view, it can then be vetoed by the Government and it seems to me that the idea that it could subsequently be vetoed by the House if it was approved by the Government would be to introduce a third tier of constraint where the staff could quite legitimately decide that then the House of Assembly perhaps should appoint somebody to do the negotiations on how it should be staffed and what the expenditure should be. I certainly cannot accept the implied criticism and as far as I am concerned there is full political support from my Party for GBC and we think the money is well spent and we think that they are not asking for anything other than what they are entitled to expect following the policy of parity which my Party supports.

HON P J ISOLA:

Mr Chairman, I think I ought to say just one quick word to the Honourable Mr Bossano. The House of Assembly does have somebody who stands up for the staff of GBC and that is the Honourable Member himself and we all know his interest in the matter, he negotiates their salaries and conditions, and therefore they have got a spokesman in this House so I do not see why they should be in any way afraid of having their expenditure examined by the whole House and the argument that he puts forward could equally apply to every Government Department. Heads of Departments could say: "We are not going to be Heads of Department because not only does the Government look at our estimates of expenditure but these terrible people of the Opposition do as well". That argument just does not hold water in this House.

HON J BOSSANO:

May I correct the Member on that. The staff in the Government Departments negotiate with the Government as the employer, the staff in GBC negotiate with GBC as the employer and having reached agreement with GBC find themselves overruled subsequently by the Government or the Treasury and then, it would seem, by the House. In other cases, in fact, once the Government has reached an agreement with the union, once the employer has reached an agreement with the union, then the Government comes here to this House and defends that agreement. In the case of GBC the experience that the staff have is that having reached agreement first with the Corporation then they find the Corporation has to come back and say: "Sorry, we cannot implement the agreement because the request for the finance to implement it has now been turned down by the Government".

HON CHIEF MINISTER:

The only point I would like to make to the Honourable Mr Bossano is that it is not as black and white as he has put it, that the Board also takes into account constraints and that they make representations and that they do not get up against a blank wall in this matter. It is in the end the subject of negotiations of what you can do and in the end if we cannot afford the money then we should have to have a reduced service or no service at all.

HON P J ISOLA:

I was going to say, Mr Chairman, the Honourable Member must realise that the reality of the matter is that the Board of the Broadcasting Corporation are not the real employers because they do not put up the money. If the Board could negotiate a settlement and then just go to the Government and be given the cheque, I suppose that every time in order

to keep its employees happy they would give them everything they want and this is just not on, that is not the reality of the situation. What the Honourable Member does not realise is the reality of the situation. He negotiates on behalf of the staff of GBC, their terms and conditions, he says it must be parity, he does all his union persuasion and so forth but then the reality is that the man who he has made an agreement with is not in a position to pay him a single penny because it is the Government the same way as all other Government employees and that, surely, Mr Chairman, strengthens the point that we make in this House that in the same way as all other public funds come to this House for approval and we all know and the Honourable Member knows more than all, that if the Government has decided a particular point it will carry the day in this House otherwise it would not be the Government but at least we have an opportunity on this side of the House to see how public monies are being spent and we are not saying that this is too much money, £750,000, the Honourable Member might find if he briefs us properly after his negotiations on behalf of the staff of GBC, that he has willing supporters in this House and he will tell the Government: "You jolly well put back that £140,000 you have slashed". Because every time the Opposition gets up to speak about GBC and public money, Members on that side and especially the Honourable Mr Bossano immediately tries to insist that it is a political act of this part of the House. No, all we want, Mr Chairman, is to exercise our democratic right to control public expenditure and how the taxpayers' money is spent. In view of what the Financial and Development Secretary has said that he is going to look into this matter to see if he can meet the point that we make, we will not try and take off the proverbial pound, Mr Chairman, and we will vote in favour.

HON A T LODDO:

Mr Chairman, on the Annual Grants-In-Aid. The Royal Society for the Prevention of Cruelty to Animals, it is a subvention, again, of £6,000. The way I understand it this accounts for 50% of the cost of running the RSPCA Clinic. I understand that at the moment there is a major problem with the incumbent Inspector and I was wondering whether with a subvention of 50% of the total cost, has Government any say in the appointment or dismissal of the inspector and if they do not have any say would they look into this? The man has been running a service for ten years quite satisfactorily.

HON CHIEF MINISTER:

Mr Chairman, the same as we want independence for GBC we want independence for the animals of Gibraltar without in any way attempting to make a comparison. The Royal Society for the Prevention of Cruelty to Animals is carrying out a dual service and that is the general welfare of animals and

also a service which did they not provide it the Government itself as the Honourable Member is well aware from his Public Health experience, we would have to do it ourselves. There has been an attempt at bringing me into this question of the controversy over the incumbent and I have listened to both parties and have kept quiet because I do not think it is my duty to do so but there again there is a Committee which is doing sterling work and in this case it is much more proverbial the politics of animals is typical of the United Kingdom. Meetings of the National Council of the Royal Society for the Prevention of Cruelty to Animals become terrible platforms of acrimony and resignations and so on, it seems that animals generate a considerable amount of enthusiasm and counter enthusiasm. We do not have a say, I do not know whether the Honourable Member is speaking in protection of the Society or the incumbent or in neither. I did listen to the incumbent but he has come against difficulties with the new Committee. It looks as if the thing is working for the time being but I would hate to have, in addition to other responsibilities in my post, to have to deal with who is appointed to look after the pets of Gibraltar.

HON W T. SCOTT:

Mr Chairman, during the course of the Second Reading I did make the House aware of the extra expense that the local Branch of the European Movement would be subjected to as a result of the 24-hour visit of the prominent Member of the House of Commons who has been a very stalwart friend of Gibraltar particularly over the last seventeen or eighteen years and I wonder, in fact, whether now that Government has listened to what I had to say late on Thursday whether in fact they have deliberated on the matter and have come to any conclusion as to whether they can increase the grant-in-aid to the local Branch of the European Movement of £250.

HON CHIEF MINISTER:

Sir, first of all, let me say that the Government has received no representations from the European Movement as such to an increase in the subvention or to the payment of the visit. I first learnt of the visit because the visitor rang me up to say that he had been invited and so on but this is a matter for the Committee. If after showing what the situation is they find themselves in difficulties after getting the subvention and the accounts and so on, like any other of the bodies that we help we will see what we can do. What we cannot do is underwrite expenses undertaken by any Committee which receives a subvention or does not receive a subvention without being asked to do so, that we cannot do.

HON W F SCOTT:

I am not asking the Chief Minister to do that, all I am asking him to consider is whether on receipt of such representations that he will view them favourably.

HON CHIEF MINISTER:

I will look at anything that is presented to me but I will have to look at the whole picture of the subscriptions, the amount of expenditure, the annual subvention and so on and see what the position is.

HON A J HAYNES:

Mr Chairman, I have one further contribution regarding the Commonwealth Institute and £300 given under the subvention of annual grants-in-aid. Is the Minister aware of the condition of the stand in the Commonwealth Institute and if so is he satisfied with that condition?

HON H J ZAMMITT:

Mr Chairman, yes, we are aware of the stand. We spent some £6,000 on the stand about six years ago and it is not up to the standard we would like to have it. Unfortunately, the quote we had, if I remember correctly, was something like £10,000 for its refurbishing and it is money that we can ill afford this particular year but Government will, of course, bear this in mind and the moment we can we will certainly try and re-appraise the situation there.

HON A J HAYNES:

On the point of the Commonwealth Institute when I was there quite recently I was very disappointed to see that it was far inferior to all the other stands. As a temporary measure, perhaps one which won't be so expensive, at least the photographs can be renewed because they are all faded.

HON CHIEF MINISTER:

I think I should remind the Minister that we decided that they should see whether they could do something much more modest than having to spend £10,000 on it.

HON A J HAYNES:

I would appreciate any movement on those lines.

HON J. BOSSANO:

On the Contribution to John Mackintosh Hall. The employees of the Mackintosh Hall are all Government employees because

they are shown in the Personal Emoluments so can I ask what the subvention is for if in fact the salaries are all met by the Government?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

They are seconded to the Mackintosh Hall and their salaries are paid from the amount of the subvention paid to them.

HON J BOSSANO:

But, Mr Chairman, in the vote Personal Emoluments I would have thought since in fact in the breakdown of what constitutes Personal Emoluments on page 86 we have the staff of Mackintosh Hall it would mean that the vote of £795,000 for salaries includes the people in the Mackintosh Hall.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Sir, as I explained earlier on the GBC one has to include the persons seconded to GBC and the Mackintosh Hall within the list of established posts for pension purposes. The persons are paid from the subvention.

HON J BOSSANO:

Could I ask, Mr Chairman, whether the Government has given any further consideration to adopting the same for the John Mackintosh Homes which comes under the Labour and Social Security Department and where in fact we are providing this year £74,000 which in contrast to the £110,000 we are providing for the Mackintosh Hall shows the difficulty that the Mackintosh Home is having in meeting annual wage increases for its staff precisely because the figures do not, as in the case of the Mackintosh Hall, include those employed as Government employees seconded to the Home which is something which the staff has been requesting for a long time and which was the subject of a motion that I brought to the House and I did not pursue at the time because I did not want it defeated. Has any further thought been given to it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Sir, there is no staff seconded to the Mackintosh Home, in fact, however, the Government has assisted the Homes financially by certain changes which we agreed during the course of the last financial year, I would not like to bother the House with details but we did in fact enable them to increase substantially their revenue by some change in their holdings stock.

HON J BOSSANO:

Mr Chairman, I think, for example, one area where the staff of the Mackintosh Homes are less well off than every other industrial worker is on the question of the efficiency bonus that every cleaner and every industrial worker and every labourer gets. Given the problem that the Homes have in meeting annual wage increases, I accept that perhaps their money was not invested in the way that produces the most revenue for them but I think even any investment today has difficulty in keeping up with inflation or with wage increases in terms of an increasing yield. If they have got a certain amount of capital the revenue that they get from that capital is a fairly static one and if it does increase it seems to be difficult to find an investment, and I think if the Financial Secretary has found one then he could probably make a lot of money advising other people besides the Mackintosh Homes what it is, one that will keep up with future wage increase and so on. This is why the practice, for example, that we have with the Mackintosh Hall seems to me to provide the correct model for the Mackintosh Homes and would in fact liberate the Mackintosh Homes from the constant annual problem of meeting staff wage increases to which they are committed in that they follow whatever the Government negotiates.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I regret that the Government is not prepared to adopt the measure suggested by the Honourable Member.

HON J BOSSANO:

The Government is aware that it has an outstanding union claim for the staff of Mackintosh Homes to be brought into Government employment, is it aware of that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir.

HON J BOSSANO:

Mr Chairman, I would like to propose to the Government, I am not quite sure how I can do it given that it is not a grant that is already there but one that I would suggest should be there.

MR SPEAKER:

You cannot propose expenditure.

HON J BOSSANO:

I know I cannot move an amendment otherwise I would do so, Mr Chairman, I know that I cannot do that and therefore what I want to do is propose a suggestion for the Government to consider doing it themselves since I cannot do it and it is under this Head. I cannot make it on one of the existing subheads because my proposal is that we should make a grant to the Falkland Islands Office in the United Kingdom as an expression of the support that we have already given in our motion and which is felt by the people of Gibraltar. The Falkland Islands Office in the United Kingdom is an office set up by the Islanders themselves in 1977 primarily to act as a centre for the dissemination of the view of the Islanders in resisting the Argentinian claim to sovereignty. Their expenditure so far, running at about £30,000 per annum, has been met entirely by the Islanders themselves and they receive no Government subsidies and they have never asked for it because in a way there have been on more than one occasion differences of view between the Islanders and the Foreign Office. At the moment the Office has been forced to launch an appeal for assistance because they have been cut off from the Falkland Islands and from the Islanders who are their source of funds and at the same time their expenses have risen dramatically because of the people in the United Kingdom wanting advice and assistance and ways of contacting their families. I think that if the Government would consider making a contribution it would be a small but practical effect of putting our money where our mouth is.

HON CHIEF MINISTER:

If the Honourable Member is asking whether the Government would consider making a contribution the answer is yes.

Subventions was agreed to.

Special Expenditure was agreed to.

Head 27 - 1982 Pay Settlement was agreed to.

The House recessed at 1.00 pm.

The House resumed at 3.20 pm.

Improvement and Development Fund - Head 101 - Housing.

HON A J HAYNES:

On subhead 1, the Varyl Begg Pitched roofs and related work. Is this the last sum to be expended in relation to the roofs?

HON M K FEATHERSTONE:

I would not like to say that this is the last sum because there is in the agreement a fluctuation clause and there is a possibility that we may be cited under that clause for some extra amount but this will be reasonably near to the last sum.

HON A J HAYNES:

Is there anything in this figure or in the revised estimates for 1981/82 to cover the painting of the pitched roofs? As I understand it the roofs when they were put up were silvery, Mr Chairman, and they have subsequently been painted a darker colour.

HON M K FEATHERSTONE:

I am not aware that they have been painted; if they have been then it is already included in the contract. I thought the roofs were going to be left in the aluminium colour which is a cooler colour but if they have been painted then it must be part of the contract.

HON A J HAYNES:

Mr Chairman, I am surprised that the Minister has not heard, as I understand it there was a tremendous glare claimed from these roofs which . . .

MR CHAIRMAN:

We are talking at cross purposes, are you saying that they have been painted already?

HON A J HAYNES:

They have, as far as I understand.

MR CHAIRMAN:

And the answer has been that if they have been painted it comes under the agreement or under the contract, it is not their responsibility.

HON A J HAYNES:

That means that the Government has not had to pay extra, I am not quite sure?

HON M K FEATHERSTONE:

As far as I am aware we will have to pay nothing extra. As I said, I did not realise that they were being painted, I

thought that being a reflected roof they would be cooler for the actual tenants. I have not had any notification from the RAF or the civil airlines that it creates too much glare for planes coming in but if you have noticed that they have been painted then that is already included in the contract, we have no extra claim for it.

HON A J HAYNES:

I take it that Subhead 16 - Rosia Dale, Phase II is the only new development to be undertaken by Government and do they expect to spend as much as £600,000 in this forthcoming year?

HON M K FEATHERSTONE:

We would expect to spend £600,000 in this coming year, yes, Sir. I would not like to say this is the only new development. As I have said already, we are quite possibly going to make strong representations about our claim for the development programme continuing later in the year and if we are successful and other housing schemes come into that then, of course, they will be put in during the year but we did not think it propitious to put them into the programme at the moment because the matter is still, as one might say, in the air.

HON A J HAYNES:

Mr Chairman, in relation to other projects which might be brought in, will the Minister indicate which of those projects it might be, i.e., can the Opposition have some idea of which estates or what kind of projects the Government has in mind provided they have the money?

HON M K FEATHERSTONE:

What we have in the submission that we made in the Development Programme included some 50 flats at Engineer House, the first phase of the Gasworks Site which is something around 38 to 40 flats, a small scheme at Flat Bastion Road which I believe is 12 flats, a further modernisation scheme at Tank Ramp which would take in about 12 to 16 flats. I think those are the main ones, Sir.

HON G T RESTANO:

Mr Chairman, my Honourable and Learned Friend jumped rather radically from Subhead 1 to Subhead 16. On Subhead 6 - Catalan Bay, can the Minister say when is the completion date?

HON M K FEATHERSTONE:

We would hope for a completion date somewhere around December this year.

HON G T RESTANO:

Can the Minister say what slippage, in fact, that represents?

HON M K FEATHERSTONE:

At the moment they are running pretty much on schedule, I think they are only about 1 week behind so I would not say that it will represent more than at the most 1 month's slippage.

HON G T RESTANO:

I am talking from the original date?

HON M K FEATHERSTONE:

From the original date there was a certain delay in getting the items out to tender etc, I would say there might be a slippage of about six months.

HON G T RESTANO:

The other subhead I would like to know something about is subhead 10 - Engineer House - Site Investigations. Can I ask who is going to carry this out?

HON M K FEATHERSTONE:

This is the actual work that will have to be done. There will be the fees to the consultant and this will be the actual work itself.

HON G T RESTANO:

Will this be done by the Public Works Department?

HON M K FEATHERSTONE:

No, Sir, it will be done by somebody who it will go out to contract.

HON W T SCOTT:

Mr Chairman, can I ask the Honourable Member, the £3,000 that has already been spent, what is that?

HON M K FEATHERSTONE:

We did some site investigations and in fact we had put a sum aside to do some site investigations and they showed a terrain that was so varied in its results that we thought it would be much wiser to make a much more extensive survey. I can give

you part of the reasoning behind it. If you will remember, when we did the bedsitters at Prince Edward's Road, we only did a cursory survey in five or six places and then when the actual contractors started work they found that in certain areas the land was very much softer than had been expected and the foundations had to be completely redesigned and rather than fall in the same trap again when we found in Engineer House that the terrain was showing such considerable differences, we thought it might be better to have a much more extensive survey and be absolutely sure before we started actual building works.

HON G T RESTANO:

Can the Minister give us an indication on what his plans are on the Tower Blocks. There is a token vote only for 1982/83 of £100, can he give us an indication?

HON M K FEATHERSTONE:

Yes, Sir. As you know we have spent some £50,000 doing six flats of the Tower Blocks. When we were preparing these estimates we had not had what one might consider to be a bad winter so that the work could be tested sufficiently to see if it was satisfactory and we thought it might be better to leave it until we had a really good test to find under all wind conditions and rain conditions whether the cladding was giving the results we hoped. If by December or January we have had those results, then, perhaps, we might make a start actually in this year on the re-cladding of the next section of the Tower Blocks which would to finish that one block and then the following year to move into the next block.

HON G T RESTANO:

Does the Minister have an indication of the whole cost of the operation?

HON M K FEATHERSTONE:

Yes, between £1½m to £2m.

HON A J HAYNES:

Mr Chairman, on the Tower Blocks. Wasn't something undertaken in relation to repairing the Tower Blocks prior to the elections?

HON M K FEATHERSTONE:

I beg your pardon?

HON A J HAYNES:

Was some exterior work undertaken on the Tower Blocks prior to the elections. Is that to do with this, or not?

HON M K FEATHERSTONE:

What was done on the Tower Blocks was to paint them with Flintkote which gives a protective coat which would last for a period of about 3 to 5 years because it was our thinking that if we were going to do cladding, cladding would not take effect or come into effect for at least three years and in the meantime some form of protection should be done and therefore they were painted first with this black Flintkote and then a white surface on top.

HON A J HAYNES:

So it was not money that was wasted?

HON M K FEATHERSTONE:

No, because it is giving you at least 3 to 5 years protection and as I say especially with the later Tower Block that is going to be dealt with, they will have had at least 3 years gain from the Flintkote.

HON A J HAYNES:

Sir, with your permission, can I revert to one Head which I have overlooked which is Subhead 5 - Housing Modernisation?

MR SPEAKER:

Yes:

HON A J HAYNES:

I am obliged. Can the Minister say if this Housing Modernisation is in fact the Head we discussed under Public Works Department?

HON M K FEATHERSTONE:

These are big schemes and when I say big I do not mean grandiose but these are big schemes in themselves. I think one of them is Demaya's Ramp which is costing us something about £30,000 for the actual house that is being modernised. This is different to the smaller schemes that Public Works will do where they will go in and spend, perhaps, £5,000 and up to £10,000 making moderate improvements.

HON A J HAYNES:

Does Jumpers Buildings and Hargraves Court, come into, into this Housing Modernisation or the one in Public Works?

HON M K FEATHERSTONE:

As I said earlier on, Jumpers Building is in the position that once it is decanted we will make an investigation to see whether it is worth modernising and if it is worth it it will be fairly expensive and I would comment that we have been told that even if we did modernise it the life would still be rather limited so that it might be better after having a good investigation which we cannot do with the tenants in situ, it might be better to demolish the whole area. It is not included in this vote.

HON A J HAYNES:

And Hargraves Court?

HON M K FEATHERSTONE:

Hargraves is one of the smaller jobs that will be tackled under the Public Works, it won't cost more than £5,000 to £10,000 odd, that is the provision of bathrooms etc., for the various flats.

HON A J HAYNES:

Apart from Demaya's Ramp, there are £84,000.

HON M K FEATHERSTONE:

Yes, I think Demaya's Ramp is one, there is another one at Rosia Steps and there is a third one at Willis's Passage, I am not quite sure.

HON J BOSSANO:

May I ask on Rosia Dale - Phase II. Is the Government basing the estimated cost of the Project on the sort of price they have been paying in St Jago's or the price that they have been paying in Catalan Bay which I understand is substantially below recent prices?

HON M K FEATHERSTONE:

We have based the price somewhat below the actual price we have been paying for Rosia Dale Phases I and IA.

HON J BOSSANO:

Will it be an extension of the same type of building that there is already there?

HON M K FEATHERSTONE:

Yes, basically, it will be 32 houses. I think there will be 4 bedsitters amongst the 32 and the others will be 2, 3 and 4-roomed houses on the same design as the rest of Rosia Dale.

HON P J ISOLA:

Mr Chairman, Woodford Cottage, £60,000, Quarter, why?

HON M K FEATHERSTONE:

I did mention this earlier, I think, Sir. The Housing Association that is going to build self-contained bungalows etc., at Woodford Cottage fell short of the total number by 1 house and we had already, I believe, informed this House that up to 2 houses might be taken as quarters by Government. These we consider would be basically an economic proposition because we do have to give quarters to some of our civil servants especially senior civil servants who come from overseas such as Consultant Doctors, etc, and in many instances we are renting these quarters at the moment at very high rents and we would consider a quarter at Woodford Cottage will repay itself within 10 to 12 years.

MR SPEAKER:

We did touch on this one under the Public Works Head.

HON P J ISOLA:

When?

MR SPEAKER:

When we were doing Public Works.

HON P J ISOLA:

I am asking now why is Government investing £60,000 in what is essentially a private housing project? To what principle is it related to wanting to help the private development project?

HON M K FEATHERSTONE:

As I said, we had a certain number of flats that we wished to build there, the number of private people that came forward was not quite sufficient to take up the total area and we had envisaged that Government would take up the balance of up to 2 flats, in actual fact it is only necessary to take up 1.

HON P J ISOLA:

Who has the Government agreed this with the private owners to enable them to carry on or what?

HON M K FEATHERSTONE:

With the Housing Association.

HON P J ISOLA:

That is the private owners, is it not?

HON M K FEATHERSTONE:

Yes, but this was stated to them at the very beginning, that Government might show an interest in the development itself if we could not get sufficient private people to take up the whole of the estate.

HON P J ISOLA:

But who stated this and why, it is the Government, presumably?

HON M K FEATHERSTONE:

Yes, I think I stated that in this House on more than one occasion.

HON P J ISOLA:

So the Government is going to invest £60,000 in what is essentially a private development project?

HON M K FEATHERSTONE:

Government is going to invest for its own good benefit £60,000 in a quarter in an area in which the rest of the development will be private, that is correct, but I think Government is going to get ample benefit from it especially, as I have said, with the high rents that we are already paying for such quarters.

HON P J ISOLA:

What is the cost of a unit of housing development? What are the normal costs for Rosia Dale, what is each flat going to cost there?

HON M K FEATHERSTONE:

The cost, of course, depends to some extent on the actual quality of the house that is produced. I think Rosia Dale

cost us something around £25,000 per flat but current costs have worked out in some areas as high as £40,000 per flat. This is going to be a house, a considerably superior quarter, and I think £60,000 is a reasonable figure.

HON P J ISOLA:

Yes, but it is a house the Government is buying merely to help the private development at a cost which is higher than what it is paying normally for housing. We must protest at that and vote against it.

HON M K FEATHERSTONE:

As I have said, Sir, Government has not done this merely to help a private development, Government has done this to put the actual area to the fullest use that can be done. It would have been rather invidious to have allowed the private development to go on and leave an empty space which was not developed for no purpose whatsoever and since Government is at the moment paying very high rents in many instances £100 per week to give quarters to these senior officers, we felt that £100 per week amortised over 12 years we would more than get back the value of the flat and, of course, £100 per week is the present rent, it will go up.

HON P J ISOLA:

Mr Chairman, £60,000 at 10% is more than £100 a week so the Government is only translating a leasing into a freehold by paying the interest on the money.

HON M K FEATHERSTONE:

Yes, but £100 a week is today, tomorrow it will be £120 and the next day it will be £150.

HON J BOSSANO:

Surely that is only because the Government has not got a policy to control the rents. It is within their power to legislate and prevent people from being exploited.

HON CHIEF MINISTER:

There is a Select Committee dealing with this.

HON W T SCOTT:

Mr Chairman, might I ask the Minister on the same subhead whether the quarter that they are building in Woodford Cottage is in the first or the second phase?

HON M K FEATHERSTONE:

I do not think there are two phases, it is all in one phase, Sir.

HON W T SCOTT:

As I understand it, the information we had in front of this House was that in the first phase there were 14 houses and in the second phase there would be three.

HON M K FEATHERSTONE:

The situation has now progressed to a stage in which it will all be done in one phase, it will be 16 houses in one phase. I think at the present state of play the architect is actually drawing up the working drawings.

HON G T RESTANO:

Mr Chairman, I would like to ask who is going to build this particular house?

HON M K FEATHERSTONE:

The Housing Association will obviously put that out to tender.

HON G T RESTANO:

Would it not be cheaper for the Government if the Public Works Department were to build it?

HON M K FEATHERSTONE:

I do not think at this stage that the Public Works is fully up to building the houses that are going to be put there. We do in the future hope to try and build a small scheme by direct labour so that the Public Works personnel can acquire and improve upon the skills in house building but in the first instance in a stage like this I think the private sector is more geared to that sort of work than the Public Works Department.

HON G T RESTANO:

Mr Chairman, I think the difference is that the private owners may well prefer to pay more for their houses because they are spending their money and they may want quality but surely what Government should be looking into is best value for money and not necessarily the same builder which is going to build the other houses so why does the Government not put its own house up for tender?

HON M K FEATHERSTONE:

I think, Sir, the Honourable Member is somewhat out of touch with the building trade. It seems to be as far as we can ascertain that when private development goes on it costs them considerably less than when the same building firms do jobs for Government. When they do jobs for Government, of course, it does go out to tender but to some extent to use perhaps a rather unparliamentary term, they feel they hold us by the short hairs and we have to pay a much higher price than what we see in other areas of town are building costs by private developers.

HON J BOSSANO:.

Isn't the design of this house, in fact, something that the Public Works itself has produced?

HON M K FEATHERSTONE:

No, the Public Works actually produced a raw outline scheme and the architect has been working to that scheme but the basic design of the interior of the flats etc., is to some extent at the desires of the different members of the Housing Association. For example, you may have the same outside area but the internal design may be varied depending on the person who has the house.

HON J BOSSANO:

If the Honourable Member is talking about the difficulty of using direct labour to construct this particular house it seems to me that one of the problems has already been partly overcome because the structure has been designed by the Public Works for everybody not just for this particular one.

HON M K FEATHERSTONE:

No, Sir, it wasn't the structure it was purely the outline scheme, a rather nice drawing of what the houses would look like, of what the total areas might be but the basic design construction has not been done by Public Works Department.

HON J BOSSANO:

Could I ask, are the other people building houses on the area free to choose their own constructor or are they all using the same one?

HON M K FEATHERSTONE:

No, Sir, it is a Housing Association and the Association will go out to tender for one constructor to do the whole work. It would be rather invidious to have four or five different constructors up there.

HON J BOSSANO:

So, in fact, whoever does the whole job would do this one as well?

HON M K FEATHERSTONE:

Yes.

HON G T RESTANO:

May I ask, Mr Chairman, since the Public Works Department has done the outline scheme, have they charged the Housing Association anything for the work that has been carried by the Public Works Department?

HON M K FEATHERSTONE:

No, Sir, I think the amount of work, if it had been charged for, might have come to £200 or £300, rather negligible.

MR SPEAKER:

It has been said that all that they have done is an outline design of what they expect to build. They have explicitly explained that the detailed plans and the architectural requirements have not been prepared by the Public Works Department.

HON G T RESTANO:

How many people have been involved in making this outline scheme?

HON M K FEATHERSTONE:

One man and even I could do such an outline scheme if you said: "Here is a plot of land" and I said: "Right, we are going to have a building 20 metres by 16 metres and we are going to have a roof shaped like that and here is a pretty little drawing and that is the outline scheme". The technical work of the structure of the building, the strength of the beams, the thickness of the walls, etc is not being done by Public Works, that is done by private work employed by the Housing Association.

HON P J ISOLA:

Mr Chairman, I do not want to press this at all but surely the architect who did the scheme must have had some knowledge of the site, how it is set out, the number of houses that can go in, there has been a lot of planning in this.

HON M K FEATHERSTONE:

He was given an area of, for example, 100 metres by 30 metres and he was told: "Try and fit that X number of houses", and he drew a small plan with the areas divided up and a little shaping of roofs and that was the outline scheme and that is the scheme presented to the actual contracting architect and he was told: "Within these constraints now you get on with your job".

HON P J ISOLA:

Will the contracting architect be a Government servant?

HON M K FEATHERSTONE:

I do not know, Sir.

HON P J ISOLA:

Shouldn't the Minister know this? Are there not there rules governing these things? Will the Government architect be involved anymore in this in any capacity?

HON CHIEF MINISTER:

No, the position in that respect is that before the rules were made for the senior officers to obtain permission to do work outside, one of the architects of the department was commissioned to do the work and when the six months notice which was given as a new condition of employment to all senior employees that they would not be able to carry on taking work because there was a delay and he had not finished the plan, he was stopped from carrying on and the Association will have to employ somebody from outside.

HON G T RESTANO:

Mr Chairman, I have just one last question and that is, since most of the projects in this Head are from the 1978/81 Development Programme, would the Minister not agree that two years later after the completion of that date there is a balance to complete of £2.4m, would the Minister not agree that that is a sad reflection on the operation of the Government in development?

HON M K FEATHERSTONE:

No, Sir, I would think it is rather a sad reflection on the situation with ODA in which they have not responded to the requests we put through to them fifteen months ago which showed our new plans in very considerable detail. Unfortunately, they have not responded to it, had they responded as we had hoped we would have a much longer list of new items here.

HON G T RESTANO:

I cannot accept that.

MR SPEAKER:

We are not going to debate that. We did that in the general principles. I distinctly remember that we went through all this ground and this is a matter of general principle as to whether the development plan of the Government is commensurate with what the Opposition feel it should be and they have given ample reason why it is not but we are not going to debate it again.

HON G T RESTANO:

The only answer I got was for the next development programme and I did not ask a question about the next development programme, I asked a question about the delay in the balance that has to be completed now in the old development programme of 1978/81.

HON M K FEATHERSTONE:

Well, Sir, if one takes it specifically I think it was known in the 1978/81 programme when it was prepared in time schedule that there would be an overrun, there was definitely going to be an overrun in St Joseph's, it was a scheme which was started fairly well towards the end of the last period and it was intended to overrun into the new period. I think St Joseph's was in the same position, Road to the Lines was in the same position, Catalan Bay was in the same position.

HON J BOSSANO:

Mr Chairman, this purchase of flats in Devil's Tower Road, have we been given an explanation of which flats they are or why we are buying flats?

HON M K FEATHERSTONE:

Yes, Sir, this is a block of flats that have been built by a private developer. I believe they are five flats and a bed-sitter, they have been offered to Government at what we would consider to be very reasonable terms and the intention is to take them up, this would give us six ready-made units quickly and the price, as I said, compares very favourably with the costs that we have been paying over the last few years, very favourably indeed.

HON J BOSSANO:

Is this then a new method of constructing public housing? If the Government can get houses cheaper of the market than they can building themselves why are they building, why bother to spend £14m in Rosia Dale when they may be able to get houses cheaper by buying what is available?

HON M K FEATHERSTONE:

We might, Sir, if there were some building constructors that decided to put up a block of flats and then come and offer them to Government at reasonable prices we would be very happy to look at it.

HON MAJOR R J PELIZA:

What about the structure of those buildings, is the Government absolutely convinced that the quality is there and is going to be lasting and all the rest of it, has it been done under Government supervision because they do know that later on all sorts of faults begin to appear and we have serious problems like Penney House, for instance.

HON M K FEATHERSTONE:

They have been checked by two officers of the Public Works Department who have made a report that the construction is good, in actual fact I think they said very good. There are one or two minor points that they were not fully satisfied but these are being rectified by the constructor before actual purchase is being made.

HON J BOSSANO:

Is it just flats or is there anything else on the site? Is it just accommodation that the Government is purchasing?

HON M K FEATHERSTONE:

Yes, just accommodation, Sir.

HON W T SCOTT:

Are these flats going to be put into the general housing pool of Government or will they become more quarters for civil servants?

HON M K FEATHERSTONE:

Government has not yet decided on that, it is possible that some may go to the housing pool, some may be used as quarters, it has not yet been decided. Even if they went into the housing pool one might be a quarter because there is an agreement that a certain share can go to quarters, anyway, but there is no full decision yet.

On a vote being taken on Subhead 19 - Quarter - Woodford Cottage the following Honourable Members voted in favour:

The Hon I Ateccasis
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 Zammit
The Hon R J Wallace

The following Honourable Members voted against:

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

The following Honourable Member was absent from the Chamber:

The Hon D Hull

Sub-head 19 was accordingly passed.

Head 101 was agreed to.

Head 102 - Schools was agreed to.

Head 103 - Tourist Development.

HON G T RESTANO:

Do I take it that Urban Improvements are the future for the Heart of the City?

HON M K FEATHERSTONE:

Yes, Sir, that is the intention to pedestrianise Main Street and the surrounding areas and in the first phase for which we hope to get £500,000 from ODA, I believe there is a figure of some £25,000 to make a temporary car park for 88 cars at Engineer House.

HON G T RESTANO:

£25,000 for a car park and what was the balance of £500,000 be in respect of?

HON M K FEATHERSTONE:

Well, obviously, if you pedestrianise a street like Main Street there are a number of works that need to be done. Usually in a pedestrian area you do not have pavements you have not a flat surface perhaps a curved surface possibly done in a nice coloured brick, you would have in such a system to obviously change your drainage systems, these are the basic ideas that the money would be spent on.

HON G T RESTANO:

Does this then not include the demolition of the Old Command Pay Office?

HON M K FEATHERSTONE:

I am sure an invitation has already gone to the Honourable Member to come to the meeting that we hope to hold on Friday at the John Mackintosh Hall in which the plans for the future development for the Command Education Centre will be presented but I would state now that those plans do not envisage the demolition of the Command Education Centre, part of it may be demolished but the main facade on Cornwall's Parade which is considered to be quite a nice facade and the main building, would be kept.

HON G T RESTANO:

Is it intended to do that in the current financial year?

HON M K FEATHERSTONE:

Yes but that is not out of this money, Sir, that is to be put for private development.

HON A J HAYNES:

Mr Chairman, these urban improvements do not include the painting of the roads?

HON M K FEATHERSTONE:

No, Sir, it has nothing to do with the painting of the roads at all.

HON G T RESTANO:

What will the £1m the balance to complete be used for?

HON M K FEATHERSTONE:

The whole idea would be to pedestrianise Main Street from the junction with Engineer Lane up to the junction of Library

Street and ancillary streets around, for example, Tuckey's Lane, Market Lane, Cornwall's Lane, City Mill Lane, Cannon Lane, Bell Lane, all those areas would be pedestrianised and become a completely pedestrian precinct so that will come at a later stage.

HON P J ISOLA:

Mr Chairman, we have heard no schemes, obviously, in this House for pedestrianisation of Main Street, I think the best way to deal with this is for us to see this exhibition on Friday and then possibly we can bring a motion in the House if we have any reservations.

Head 103 was agreed to.

Head 104 - Miscellaneous Projects.

HON J BOSSANO:

Mr Chairman, Resiting of the Ice Box - Subhead 1. The Government intends to continue with this in spite of its lack of confidence that the Dockyard is going to remain open?

HON M K FEATHERSTONE:

Yes, Sir. The idea would be that when the Ice Box leaves its area at the North Mole, that area would become available to the Customs who would then be able to vacate the area they now hold in Queens Stores and that would be an ideal area for development, perhaps, for a multi-storey car park plus shops, plus flats, a rather prime site. The whole scheme is a domino effect which starts with the moving of the Ice Box away from the North Mole. Also, Sir, with the idea of the Port area becoming a security area one does not want all the general public going in and out to make what are relatively minor purchases at the Ice Box.

HON A J HAYNES:

Where is the Ice Box going, Mr Chairman?

HON M K FEATHERSTONE:

On the old area that used to be the refuse destructor just beyond the Slaughter House.

HON W.T SCOTT:

Mr Speaker, again I think I raised it in the general debate on the winning of sand and the £52,000 which I have been assured by the Honourable Member opposite that that is an old debt that has to be paid. I would like to state our complete and total dissatisfaction from the outset of this project at how it has been conducted by the Consultants and the Government.

HON M K FEATHERSTONE:

Would the Honourable Member repeat it because I did not quite get the second part of what he said, Sir?

HON W T SCOTT:

I hope that Government is totally aware of our complete dissatisfaction from the whole concept of the project, from the appointment of the Consultants and the manner in which Government has continually been running this project inclusive of the Gibraltar San Quarry Company.

HON M K FEATHERSTONE:

Yes, the Government is completely aware of the Opposition's view on this. We are, to some extent, ad idem with their dissatisfaction with the Consultants.

HON W T SCOTT:

And on that, Mr Chairman, we shall be voting against Subhead 2.

HON M K FEATHERSTONE:

All I can say, Sir, is that it is the honourable course to pay one's debts.

HON P J ISOLA:

Mr Chairman, I would like a vote on item 1. We want to do what we did the last time we were asked to vote on it, I think we abstained.

On a vote being taken on Sub-head 1 - Resiting of the Ice Box 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 J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon R J Wallace

The following Honourable Member voted against:

The Hon J Bossano

The following Honourable Members abstained:

The Hon A J Haynes
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 Member was absent from the Chamber:

The Hon D Hull

Subhead 1 was accordingly passed.

On a vote being taken on Sub-head 2 - Winning of Sand - 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 Zammit
The Hon R J Wallace

The following Honourable Members voted against:

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

The following Honourable Member was absent from the Chamber:

The Hon D Hull

Subhead 2 was accordingly passed.

MR SPEAKER:

Any other subheads?

HON G T RESTANO:

Yes, Mr Chairman, Subhead 4 - Transfer of Stores and Depots to Ragged Staff. I am pleased to see that the transfer is being carried out. It was a recommendation of the Public Accounts Committee but I would like to have details of the cost of this transfer of £151,000.

HON M K FEATHERSTONE:

Yes, Sir, some £68,000 or £71,000 was the actual figure we had to pay the MOD for the property. The rest of the money will be spent partly in making some modifications and rehabilitation where there were some defects in the roofs etc and the balance will be the actual physical transfer of the stores from one place to the other.

HON G T RESTANO:

Have the modifications, in fact, already been carried out?

HON M K FEATHERSTONE:

They are actually being carried out at the moment.

HON G T RESTANO:

At the old PWD Stores there have been substantial amounts of stores destroyed, sold and so on. When will those Stores be available for other purposes? In other words, when will the Public Works Department be giving up those stores, I am thinking particularly of Wellington Front Stores for the use by Youth Clubs and so on?

HON M K FEATHERSTONE:

We would hope, Sir, that these modifications should take a total time of something like 4 months, we have been working one month on it so I would hope by perhaps the end of August the move will be in full swing, perhaps, that may take a month or so, I would think we will start releasing Stores from September/October onwards.

HON G T RESTANO:

When we visited the Stores, Mr Chairman, certainly there seemed to be a lot of stores in Wellington Front which were no longer required and I would have thought that it might have been useful to get rid of those stores and put them, say in Library Street Stores to enable Sports Clubs and so on to use those Stores.

MR SPEAKER:

We are not going to get bogged down in the House of Assembly as to how the Stores of the Public Works Department are moved from one site to the other, on a Head such as this one, otherwise we will never ever finish.

HON G T RESTANO:

I take your point, Mr Chairman, but bearing in mind that the Command Pay Office is in such a state and the clubs making use of it have nowhere to go to and there is a completely empty store in Library Street, I would have thought that perhaps the transfer could have been made and would the Minister consider this?

HON A T LODDO:

Mr Chairman, on Subhead 5 - Urban Development - Investigations Could I please have details of what it actually entails?

HON M K FEATHERSTONE:

Yes, Sir, the firm of Consultants that were doing this job came out on three or four occasions. On one occasion they left one of their members here to conduct a considerable survey of all the interested people, I think they surveyed all the people in the Main Street area, Bell Lane, Cornwall's Lane, etc, they produced quite a number of schemes and drawings etc, all of which will be available to be seen at the John Mackintosh Hall on Friday and this is the balance of the cost of what we owe these people for the work they have done. I am sure that the Hon Member when he goes will find it is a very interesting exhibition.

HON A T LODDO:

Mr Chairman, could I ask who are these Consultants?

HON M K FEATHERSTONE:

It is a firm called Simon Atkinson Consultants of Oxford.

HON W T SCOTT:

Mr Chairman, on Subhead 6. I seem to remember that when this was talked of quite some while back now, a figure of £70,000 was mentioned, if my memory serves me correctly, but now I see a figure here of £170,000.

HON M K FEATHERSTONE:

I would not like to fault the memory of the Hon Member but I do not think it was ever as low as £70,000. I think the equipment alone which is required on its own comes to over £50,000.

HON MAJOR R J FELIZA:

Mr Chairman, Subhead 7. Restoration of Communications with Spain. I see that we are going to spend another £60,000. Can the Minister explain what extra work has got to be carried out that has not been done already?

HON M K FEATHERSTONE:

Yes, Sir, this money is being spent, of course, in many directions. Part of it is being spent on the car park opposite the Airport which will obviously be required since once the frontier is opened cars can no longer park on Winston Churchill Avenue. Part of it is being spent on two sets of gates which we have to make in the actual fence at the moment. Part of it is being spent on the car park at Queensway, the car park at Alameda Parade, the clearing of the area at the NAAFI site, the tennis courts area at USOC, some of the painting of the roads, the different traffic islands at Cerral junction, etc, these are the main things.

HON P J ISOLA:

Therefore, the part of the Airport seems to be completed except for the gates, it has been surfaced and so forth. Can I ask the Minister why the public cannot use it, do we have to wait for Spain to open the frontier before we can use it?

HON M K FEATHERSTONE:

I have not been there myself for the last week or so. When I last went there it was not complete insofar that the entrance had not been asphalted etc, I am not sure whether it has been or not. The other thing that would be needed once it becomes a paying car park would be to put a cabin there for the actual attendant who is going to deal with the collection of money but I would see no difficulty once the surfacing was done that it should not be used.

HON A J HAYNES:

Can we have a breakdown of the £479,000 and how much of that was, say, for painting the roads?

HON M K FEATHERSTONE:

I am afraid, Sir, I do not have that information. I think the Police came to the Public Works Department initially for a sum of £10,000 to paint the roads and then they came back for a second go, I think it was £8,000, so it must be around £18,000 to £20,000.

HON A J HAYNES:

Was the painting of the roads done by the Public Works Department?

HON M K FEATHERSTONE:

No, Sir, this is under the control of the Police, actually, although it does come out of this vote and they use a private contractor.

HON A J HAYNES:

Mr Chairman, when we asked under the Police vote we were told it was under this vote.

HON M K FEATHERSTONE:

Yes, it is under this vote but we hand the money over to the Police and they spend it.

HON A J HAYNES:

Mr Chairman, I thought I was told exactly the opposite, I thought I was told that it was the Police and that it had nothing to do with the PWD, that it was traffic control. I have been trying to find out how much the painting of the roads cost and there is no way I can find out.

MR SPEAKER:

If I recall properly, what came under the Police vote were traffic control signs. I think the Hon Financial and Development Secretary mentioned that fact.

HON A J HAYNES:

As I remember also, Mr Chairman, the Attorney-General or the Financial and Development Secretary, one of the two, did state that they themselves questioned the validity of putting this sum under the Head - Traffic Control - of the Police saying that the Police did not really have much control over it. What I am now trying to do is to get a breakdown of the cost of the painting of the road. As I understand it, Mr Chairman, the painting of the roads with or without an open frontier was at the most, unnecessary, it is not of a durable nature and if it has not gone out to tender and it has cost a lot of money it is something that ought to be investigated.

HON M K FEATHERSTONE:

Sir, the painting of the roads is, as I say, a matter which the Police in conjunction with the advice of the Traffic Commission, handle. The money is provided to the Police by the Public Works and if my memory serves me correct, as I have said, the first tranche they had was some £10,000 and then I believe they got a second £8,000. Whether it was justified or not I think the Hon Mr Haynes might perhaps take up with the Traffic Commission privately.

HON A J HAYNES:

Mr Chairman, will the Minister give an assurance that he will send all of his information when he elucidates it from the Department?

HON M K FEATHERSTONE:

I will suggest to the Commissioner of Police that he does it for you, yes.

HON A J HAYNES:

Thank you very much.

HON J BOSSANO:

Can I ask why, in fact, this goes out to contract and is not done by the Government itself? Surely painting stripes on the road is within the capability of the Public Works Department?

HON M K FEATHERSTONE:

I would accept that, Sir, it is something I have often asked myself why the Police go to a private contractor but they have controlled this vote for many years and they have always seemed to want to go to private contractors for more than painting, they seem to prefer a private contractor to repair the police cars and I have told them on more than one occasion that I think the Public Works Garage is just as good if not better but it is not fully in my hands.

HON MAJOR R J PELIZA:

On that Subhead, Mr Chairman. I think I heard the Minister state that there would be a car attendant, perhaps more than one if it is open all night. Has he thought of a pay machine which might be less expensive?

HON M K FEATHERSTONE:

Yes, Sir, we have thought of machines but, hopefully, if we were to have an open frontier one might not be able to expect Spaniards to have British currency to fit into the machines. There is also the fact that if you start using machines where you put coins in they tend to go wrong rather frequently especially when people put in wrong coins or vandals mess around with it. We found that it might be more convenient to have actual attendants there who could deal in foreign currencies and would be more in charge of the situation.

HON MAJOR R J PELIZA:

Until the frontier opens could we not have, perhaps, another scheme?

HON M K FEATHERSTONE:

I would think if we have the Airport car park used until the frontier is open it will be rather like the car park at Queensway on a completely free basis.

HON G T RESTANO:

Mr Chairman, I would like to take the point that Mr Bossano raised a bit further. It seems questionable why the Police should go out to tender rather than use the Public Works Department and although it is not under the Minister for Public Works' responsibility, surely, there is somebody in Government who can explain why it is that the Police use private contractors and not the Public Works Department for this type of work.

HON ATTORNEY-GENERAL:

I am sorry, I do not know the answer. I shall enquire and find out.

Head 104 was agreed to.

Head 105 - General Services

HON MAJOR R J PELIZA:

Mr Chairman, Subhead 1 - Ring Road - Marina Development. I take it that this is part of the extension of the seafront of the Marina at the moment. I ask this question because we were guaranteed in this House, this has been my point even when originally the Marina was thought of, that the seafront should be free for the public to use and I have noticed when I was there last that there is in fact a gate on the north side of the seafront. Is this ring road, hopefully, intended to carry on or is this in fact a change of plan altogether?

HON M K FEATHERSTONE:

No, Sir, that area to the north side which only serves a number of private flats was requested by the operators whether it could be made a private road. In exchange they offered us full rights for the general public to walk along all the different piers, etc, so that they could have a promenade there. Sir, the ring road basically is what would go to the southerly direction, hopefully, in the future to go through the Mediterranean Rowing Club when that is moved to another site and join up with Glacis Road.

HON MAJOR R J PELIZA:

So I take it now that the original idea of having the seafront as it was thought in the plan is not on any more but in exchange that we are going to have right of use for the public without any conditions whatsoever to be able to move along all the piers, that is the fact and I hope it is legally contracted so that there is no change in the future. That is so, is it?

HON M K FEATHERSTONE:

Yes, Sir. I would not say that the seafront has been completely denied, the seafront is available especially along the first part where the shops are etc, and of course the piers and this is, I think, a binding agreement.

HON W T SCOTT:

Mr Chairman, Subhead 3. Why, after having spent £358 in the year ending March, 1981, no money was spent at all last year and now the balance of £29,000 is going to be spent this year? Why was there an interval of one year when not a single penny was spent?

HON M K FEATHERSTONE:

There were two main reasons, Sir. It is simply not whether you want to put the horse before the cart but until you had your piping done up Europa Road to the actual reservoirs it was no good having the intake. You could have done the intake first and waited a year while you did your piping or you could have done your piping first and then the intake. In this instance we are doing the piping first and the intake will come after.

HON W T SCOTT:

But, surely, this must have been envisaged in 1981 when the money was first requested?

HON M K FEATHERSTONE:

Yes, Sir, we had to wait for the piping to arrive, we also had to wait for the pumps to arrive.

HON A J HAYNES:

Mr Chairman, I have one on Subhead 2 - Mains Renewal - Salt Water. Is this the salt water pipe that is going up the Rock Hotel?

MR SPEAKER:

Are we going back to Subhead 2?

HON A J HAYNES:

Well, I was not allowed before.

MR SPEAKER:

Perhaps by a Member of the Opposition and no one else. We must stick to the rules from now on because we have never had such a detailed examination of the Improvement and Development Fund. I do not think there is any need but that is a matter that the Opposition must certainly should give attention to but by all means do it.

HON M K FEATHERSTONE:

Sir, the mains renewals, salt water, includes the work that is being done up Europa Road but it does also include other areas as well. There are a considerable number of salt water mains that need renewing.

HON A J HAYNES:

Can I have an idea how much that particular venture costs, it is one which I see every day, I can more or less assess progress, to find out what it costs roughly on a footage basis?

HON M K FEATHERSTONE:

I am afraid I do not know that offhand.

MR SPEAKER:

No, with due respect, I am not having that kind of question.

HON J BOSSANO:

Mr Chairman, could I ask on Subheads 8, 9 and 10 which are subject to approval by ODA. The point that I am making is not so much about the actual items themselves but about the fact that they are subject to ODA. I would like an explanation of how Government expects to obtain ODA money for this given the statement made by the Financial Secretary in his opening speech on the expenditure estimates that the ODA funds were conditioned to Gibraltar's economic development and that sort of thing. I cannot see how a footbridge in Sir Winston Churchill Avenue really has anything to expand the economy of Gibraltar, for example.

HON M K FEATHERSTONE:

Yes, Sir, we have been given to understand from ODA that they would not be against our spending the £4m they have offered us on projects which would improve our infrastructure and our possible opportunities for tourism. They were rather reluctant to spend money on what we would call 'social schemes' such as housing and schools. We have had out members of the ODA staff and we have put to them our ideas for various methods of spending money on infrastructure which have been received with favourable approval and these three schemes are three schemes that they have basically considered would be acceptable. They would, of course, still have to go through the normal ODA, I won't call it rigmarole, but process of Project Committee etc, but we understand that they will be acceptable and they will be part of the £4m.

HON J BOSSANO:

I think it is an important point of principle, Mr Chairman, because I have been perhaps the most highly critical about the ODA philosophy and allocation and if we are told that the allocation of £4m development aid is for urgent projects necessary to strengthen the economy, it is difficult to see how pumping sewage from Catalan Bay is going to strengthen the economy, it might do something for the people living in Catalan Bay but how it is going to strengthen the economy baffles me, Mr Chairman.

HON M K FEATHERSTONE:

Part of the point, Sir, is there are under the aegis of that area of Catalan Bay, the sewers that run there, there are the two hotel developments, Both Worlds and the Caleta Palace and if we do an east side reclamation then even more demand will be put on it. It is to improve the present system that they have considered that it is something towards the infrastructure.

Head 105 was agreed to.

Head 106 - Potable Water Service

HON W T SCOTT:

Subhead 2 - Deep Drilling. This has been a project now for quite a few years. It is a substantial amount of money and still we are spending another £89,000 this coming year. Can I ask the Government if they have any idea as to when Gibraltar might be in a situation where we can find out positively whether water can be abstracted economically through deep drilling operations?

HON M K FEATHERSTONE:

Yes, Sir, I think I have mentioned to the House before that last year with the insufficient amount of rain, the tests that we were doing to see the rate that we could draw water down and the rate of recharge were not really successful. This year we have had an improved amount of rain although we are still below the average for a year. One of the ideas that we are dealing with at the moment in which some of this money will be spent is that we hope to be able to obtain a certain measure of recharge by getting water from the runway to actually come into the area where the deep drilling has been effective.

HON J BOSSANO:

Mr Chairman, I am sorry, could I just ask a question about the Desalination Plant? I wanted to know, in fact, the cost envisaged for the project of £2.6m. Based on that cost are we talking about producing water at the sort of production costs from the current distillers that we have got in operation or is it going to be more expensive or less expensive?

HON M K FEATHERSTONE:

Sir, there are two facets to the new distiller we wish to put up. We are obviously insisting on the welltried scheme we know which is a multi-stage flash and multi-stage flash has now been used for a period of some 20 years and every year the developments on the scheme have made an improvement in production against cost but at the same time with the power station next door, we have already put in boilers that we can use the waste heat from the power station. We would hope that the distiller, when using the waste heat, will produce water at a lower price than imported water and when working on its own boilers it will produce water at a lower price than either of the two present distillers but a little more expensive than imported water.

HON J BOSSANO:

Do we have to wait for the new one to use the waste heat or will the existing one be able to make use of it?

HON M K FEATHERSTONE:

It might be possible to couple it up with the VTE but the extra money spent in coupling it from the VTE and then uncoupling it back to the new distiller we are putting, possibly may not be worthwhile.

Head 106 was agreed to.

Head 107 - Port Development

HON A J HAYNES:

On Subhead 4 - Camber - Improvements and Renovations. I take it that these are the only facilities to be provided for yachts in any manner or form in the Port Development Programme? Is there anything in the development project for the Port which will improve the position for small yachts?

HON A J CANEPA:

For the Port itself, no. I think the Marina Development Schemes comprise an extension to Sheppard's Marina, possibly the use of the area that might be released along where the bonded stores are and eventually we shall have to wait and see what else might become available on the western seafront but arising from the PEIDA Report in what one would call the commercial Port, there are no proposals.

HON W T SCOTT:

Mr Chairman, Subhead 5 - Reclamation between Jetties. Might I ask what work remains to be done amounting to £58,000?

HON M K FEATHERSTONE:

Sir, this is the final account that has been rendered by the contractors and needs to be paid.

Head 107 was agreed to.

Head 108 - Telephone Service

HON G T RESTANO:

Subhead 5, Mr Chairman. After the £66,000 this year has been spent, what areas will remain without having the Old Line Plant renewed?

HON DR R G VALARINO:

Mr Chairman, Sir, I am afraid I do not know and I require notice of that question.

HON G T RESTANO:

Can I put it this way, in what areas are the the £66,000 going to be used?

HON DR R G VALARINO:

Sir, in answer to Question 35 of 1982 when I said that ten main cables would be replaced this year, the programme this coming year will affect mainly the southern part of town, Humphreys and the Casino areas, Upper Town areas, Moorish Castle, Centre Town areas, St Mary the Crowned and the Airport.

HON G T RESTANO:

When can we expect, Mr Chairman, not to have telephone faults every time it rains?

MR SPEAKER:

We have dealt with that under the general vote.

Head 108 was agreed to.

Head 109 - Public Lighting

HON A J HAYNES:

Mr Chairman, when is the lighting to be improved in the area by the Rock Hotel and St Bernard's Road and the other one is Red Sands Road?

HON DR R G VALARINO:

Mr Chairman, Sir, various roads will be dealt with. If there is any extra money arising from these projects we shall then start with other suitable areas, one of them is Red Sands Road and the other one is, as the Hon Member suggested some time ago, South Barrack Road because we consider these areas that I have here have more priority than those two other areas.

Head 109 was agreed to.

Head 110 - Electricity Service.

HON J BOSSANO:

I wanted to ask, Mr Chairman, the relationship between the Capital Charges in the accounts given in Appendix A and the cost in the estimates for this year given, for example, that the revised figure for expenditure in 1981/82 seems to be higher than the original figure and yet the Capital Charges is lower and I cannot see how that happens.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Does the Hon Member refer to Capital Charges in the Fund?

HON J BOSSANO:

In the Fund, that is right.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Perhaps the House will recall that last year I advised that we had made amendments to the Regulations covering the Funded Services whereby Capital Charges were not brought to account until a project had been brought on stream so that they will be reflected in the Fund next year, not this year, because the project won't come on stream until later in the year.

HON J BOSSANO:

So, in fact, of the £84,000 annual repayment it does not include the new power station?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No.

Head 110 was agreed to.

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

Clauses 2 to 5 were agreed to and stood part of the Bill.

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

THIRD READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to report that the Appropriation (1982/83) Bill, 1982, has been considered in Committee and agreed without 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.

SUSPENSION OF STANDING ORDERS

The Hon the Financial and Development Secretary moved the suspension of Standing Order No 29 in respect of the Finance Ordinance, 1982.

This was agreed to.

BILLS

FIRST AND SECOND READINGS

THE FINANCE ORDINANCE, 1982

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Building Societies Ordinance (Chapter 163), the Gaming Tax Ordinance, 1975, the Imports and Exports Ordinance (Chapter 75), the Income Tax Ordinance (Chapter 76), the Public Health Ordinance (Chapter 131), the Public Utility Undertakings Ordinance (Chapter 135) and the Traffic Ordinance (Chapter 154) and generally for the purposes of the financial policies of the Government, be read a first time.

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

The Bill was read a first time.

SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

The Bill sets out the legislative proposals for fiscal and allied changes this financial year, including proposals for increases in the public utility undertaking charges for potable water and electricity. It also seeks to introduce a better measure of control over building societies and to amend the Public Health and Traffic Ordinances to enable regulations to be made for the purpose of fixing the basis for rating under the former and the prescribing of fees for services rendered under the latter.

With the permission of the House, Mr Speaker, I will deal first with fiscal matters.

No major change in the level of personal taxation is proposed. Despite the present uncertain economic climate and because of the relative strength of the Consolidated Fund the Government does not intend to make any major change in direct taxation. The burden is already high; with single-figure pay increases in 1981 and 1982, disposable income will begin to be squeezed. It would also be counter-productive to increase income tax and create a disincentive effect on employment at a time when it is important to stimulate job opportunities through economic diversification. It can be argued, however, that with an unchanged level of personal allowances the tax burden will, in real terms, be slightly increased.

There is some force in this argument. Nevertheless if personal allowances had been changed in line with inflation the decrease in tax payable would have been small, not much more than £1 a week for a married couple. There are, however, to my mind, good countervailing arguments against such a concession this financial year. Income tax is the major revenue-earner. It is the most reliable and automatic tax mechanism which the Government can apply. It therefore has a quick, stabilizing effect which is particularly important to the liquidity position at any given moment in time. What is however more important, the Government considers that it is better to stimulate economic demand by directing its limited financial resources towards servicing the cost of new capital projects rather than reducing the level of taxation to stimulate consumer demand, the former confers greater benefits on the community and has a more significant income and multiplier effect.

It is, however, proposed to increase retrospectively from 1st July, 1981, the allowable deduction for one-parent families from £500 to £850. I am indebted to the Hon Mr Bossano for drawing my attention to this lacuna in the Government's proposals for tax concessions at the Committee Stage of the Finance Bill in April, 1981. The aim is to restore to separated couples the same total of allowances they would get if they had remained together and the wife were working. The proposal also provides a further measure of relief for a widow or widower having custody or maintenance of a child in that the remaining partner will be entitled to the same deduction as the couple were formerly eligible had the wife or husband not been working.

It is further proposed that the first £200 of interest earned by residents on deposits with local Building Societies should be tax free. The intention here, Mr Speaker, is to encourage more local investment in these Societies and so further the Government's policy of encouraging home ownership.

A further measure aimed at attracting foreign capital investment for local development is the proposal to exempt from tax interest paid to non-residents on loan stock issues made by Gibraltar public investment companies whose securities are dealt in under the auspices of a recognised Stock Exchange, when - and I stress this, Mr Speaker - when the proceeds of the loan stock issue are used solely to finance development in Gibraltar.

To make Gibraltar's financial services and specifically trust work more attractive to non-residents, the Government also proposes in the Bill to exempt from liability to tax all trust income received in Gibraltar where the beneficiaries of the trust are named and are non-resident persons in Gibraltar for the purposes of the Income Tax Ordinance.

I turn now to indirect taxation.

It is proposed that equipment imported for the monitoring of foreign exchange and money market rates should not be subject to import duty when such equipment is to be used exclusively in connection with the transmission or receipt of messages in the course of carrying out such monitoring.

This equipment is a valuable adjunct to banking and foreign exchange business and its exemption from import duty should encourage greater use by the Finance Centre.

It has been represented that the 2% net import duty on precious metals and jewellery is inhibiting trading with overseas markets and that the abolition or at least a marked reduction in this duty would stimulate the trade with consequential spin off for the economy. There is virtually no revenue from this source at present and in any event the Government is looking more for stimulation of the economy than for revenue at the present time. It is intended therefore to reduce the duty from 2% to 1%. This change will be effected by amending the existing drawback regulations.

The House will recall, Sir, that the general betting and pools betting duties were increased at the last budget with effect from 1st July, 1981. The general betting duty was increased from 10% to 15% and the following revised rates of pools betting duty were introduced:-

for total stakes under £1 - 10p; for stakes of £1 - 15p; and for stakes over £1 - the duty was to be 15p plus 5p for any additional £ or part thereof.

The duty had previously been:-

for stakes of 50p or less - 5; from 50p to £1 - 10p; and over £1 - 15p.

These measures had the full support of both sides of the House. There has, however, been a marked decline in business in both areas since the new rates of duty were introduced.

The increased duty on general betting seems to have encouraged evasion of the duty by the placing of bets direct with London by telephone. It has also been alleged, although no evidence has been produced, that the high rate of tax has given rise to illegal bookmaking.

The new duties on pools have encouraged some punters to switch to long standing forecast - coupons many of which are posted direct to the United Kingdom thus evading the payment of duty. There is firm information that for the 19 weeks commencing 1st July, 1981, there was a decrease of over 5,000 in the number of coupons received compared with the same period in 1980.

In these circumstances the Government proposes to reduce the betting duties so that it will no longer be worthwhile for punters to evade the duty. The proposal is that the general betting duty should be reduced to 12½% and lower rates of pools betting duty introduced as follows:-

for total stakes up to and including £1 - 10p;
for total stakes over £1 (whatever the amount) - 20p.

The drop in revenue which such changes would produce cannot be accurately quantified but it is expected that it will be some £30,000. This is reflected in the revised financial statement. This could be more than offset eventually by revenue from increased business, but this is unlikely to occur in the present financial year.

The Government proposes to continue its policy of reducing the subsidies to, and increasing charges for, municipal services in line with increasing costs. However, as was mentioned in the second reading debate on the Appropriation Bill, the deficit on the Telephone Service Fund is being carried forward. Rental and all other charges were last increased in April, 1980. Connection charges have remained at £37.50 since that date. The proposal in the Finance Bill this year is to increase these charges to £50 on applications for connections and removals received after 30th April, 1982. Telex rentals which have also remained unchanged since April, 1980, are to be increased from £57.96 to £66.66 a quarter - some 15% - from 1st April, 1982. These changes will bring into the Fund some £11,000 a year. Reducing the projected deficit in 1982/83 to some £321,500.

The Bill also brings within the Second Schedule to the Public Utility Undertakings Ordinance connection and rental charges for new and more sophisticated equipment now becoming available. There are a relatively large number of such items of equipment designated in the Bill. I will not bore the House with all the details but the equipment ranges from Prestilview data terminals to Mickey Mouse telephones.

There is one point which I should mention which is not in my written speech because it will be dealt with by the Minister for Municipal Services when he speaks but I feel that for a comprehensive review of the Bill, I should mention it and that is that the Bill contains proposals to widen empowering Regulations made under the Second Schedule, to provide for charges for international and local direct dialling to be made at an appropriate time.

The following increases are proposed in the water tariffs with effect from the accounting period including 1st May, 1982; 25% on the primary rate and slightly less than 23% on the secondary rate for domestic consumers. In general, other rates are being increased by 25% except for water supplied to swimming pools where the rate is increased by 50%. The detailed increases are as follows:-

	<u>Primary rate</u>	<u>Secondary rate</u>
Domestic consumers	from 13p to 17p per unit	from 31p to 38p per unit
All other consumers other than shipping and swimming pools are increased from 40p to 50p per unit.		
Shipping	from 45p to 50p per unit	
Swimming pools	from 50p to 75p per unit.	

No increases in meter rental charges are proposed.

For the average domestic consumer these increases will be more than offset by the removal of the imported water surcharge of 7p per unit which lapsed on 30th April.

The Government proposes to continue for a further year the special treatment accorded to hotels and shipping. A subsidy by way of a refund equivalent to the proposed increase of 10p will be paid on settlement of bills on due dates, that is to say, 30 days after the issue of the Bill. At the same time hotels will be expected to keep up payments and reduce arrears. The cost to the Consolidated Fund for the current year of this subsidy is estimated at £99,000 - hotels £73,000 and shipping £26,000.

In the last financial year the whole of the deficit on the Electricity Fund was met from the Consolidated Fund. The new Waterport Generating Station will come on-stream in the second half of this financial year and provision for running the station has been included in the recurrent expenditure estimates. To offset the increase in costs for electricity it is proposed to increase tariffs by 20% as from the accounting period including 1st June, 1982. This will represent around 14% on average household bills. Here again the Government proposes a special subsidy to hotels for one year. This will be equivalent to the proposed increases and will be made on payment of bills on due date - again, payment within 30 days of the issue of the bill and payment in agreed amounts of arrears. The estimated cost to the Consolidated Fund will be £100,000.

Rents for Government dwellings will be increased by 20% from 1st July next. Provision is made in the Finance Bill to defer by regulations increases in rates that automatically follow increases in rents. The Government proposes to use the power to defer for one year the increase in rates that would have followed the rent increases proposed in July this year.

Mr Speaker, the effects of the above proposals were not of course taken into account in the preparation of the Estimates of Revenue and Expenditure for 1982/83 brought to the House last week. New appendices showing revised projections for the Consolidated Fund, the Electricity Undertaking Fund, the Potable Water Service Fund, the Telephone Service Fund and the Housing Fund will be circulated to Members at the end of the Chief Minister's opening speech. It may assist, however, if I summarise the position now.

(a) The Electricity Undertaking Fund

Projected deficit on 31.3.83 as shown in the printed Estimates	£746,800
Less additional revenue from increased tariffs	<u>£427,000</u>
Government contribution (balance)	<u><u>£319,800</u></u>

(b) The Potable Water Service Fund

Projected deficit on 31.3.83 as in the Estimates	£444,900
Less additional revenue from increased tariffs	<u>£348,000</u>
Government contribution (balance)	<u><u>£ 96,900</u></u>

(c) The Housing Fund

Projected deficit in the Estimates	£1,477,400
Less additional revenue from increased rents	<u>£ 197,000</u>
Government contribution (balance)	<u><u>£1,280,400</u></u>

Provision is also included in the Finance Bill to permit the making of Regulations to prescribe fees for services rendered under the Traffic Ordinance and for such matters as may be reasonably necessary for the administration of the Ordinance. It is the intention of the Government to make Regulations changing the date of expiry of motor vehicle road licences to 31st May each year, so that licences issued on the 1st July, 1982, will expire on 31st May, 1983. The licence fee will not be increased but will be adjusted accordingly. The reasons for this change are partly administrative convenience to reduce the pressures on licensing staff at certain periods of the year; partly to widen the period of the year in which licences and fees, generally, are paid.

The new regulations will also provide for the payment of a fee for after hours attendance at the request of members of the public for the issue of car documents and driving licences. This will be similar to the fee introduced for the issue after hours of passports.

Mr Speaker, I should like to touch on the measures proposed for the better control of building societies before I turn finally to the effects of the proposed fiscal measures in the Finance Bill on the Consolidated Fund.

It became evident during the preparation of the Banking Bill that there are shortcomings in the Building Societies Ordinance. There is, for example, no adequate framework to allow for on-going supervision. Inspection of a society's books may only be made on the application of a specified minimum number of its members and examination of its affairs is only possible on the application of a requisite minimum number of members and with the consent of the Governor.

It is felt that as part of measures to encourage home ownership, and pending an in-depth review of the entire legislation, the opportunity provided by the Finance Bill should be taken to introduce amendments to the Ordinance to improve control. Building Societies can, should and I hope will in the future, play an increasingly important role in financing home ownership. The Government is proposing in the Finance Bill to take the first steps in this direction by making free of tax the first £200 of interest on local Building Society deposits. If this shows an impact the Government is prepared, in consultation with local societies, to arrange a special rate of tax on interest from building society deposits similar to that in the United Kingdom.

Briefly, the measures proposed for the control or better control of building societies have the effect of requiring that -

- (1) a society must have an office in Gibraltar;
- (2) no locally incorporated society shall without prior permission, keep an office outside Gibraltar, advertise or solicit for subscriptions, deposits or loans outside Gibraltar; and
- (3) no locally incorporated society shall invest any of its monies or funds outside Gibraltar except as otherwise provided in the Ordinance.

The amendments proposed would also enable the Financial and Development Secretary to inspect the books of a society and to give directions as to the manner business is to be carried. They also provide for the cancellation and suspension of registration after consultation with the Registrar. There is a right of appeal. The opportunity is also being taken to introduce more adequate penalties for offences.

I must make the Government's position clear on the question of advertising, and of investment of building society funds in property, outside Gibraltar. We have no wish to stop advertising for funds outside Gibraltar but it must be made clear to would be depositors that the funds can only be used for investment in properties in Gibraltar or as otherwise provided in the Ordinance.

The Revised Estimated Balance of the Consolidated Fund at 31st March, 1982, as shown at page 5 in the Estimates is £10,646,419. The estimated Recurrent Revenue for 1982/83 is £47,384,500. This figure must be reduced by £500,000 to take account of a projected decrease in revenue from Customs duties and £30,000 in respect of the reduction in gaming tax. The revised Recurrent Revenue figure for 1982/83 is therefore, £46,854,500. On the Expenditure side, the cost of the subsidies on electricity and water £199,000, and the budgetary contributions to the Funded Services, which total £1,697,100 must be added to recurrent expenditure figure of £44,708,100 appearing in the present Financial Statement. This brings total projected expenditure to £46,604,200. The projected surplus for 1982/83 would consequently be £250,300 and the revised estimated position for the Consolidated Fund at 31st March, 1983, would be £10,896,719.

Mr Speaker, Sir, it is the Government's intention to seek supplementary provision of funds at the next sitting of the House for the intended subsidies to hotels and shipping and for the budgetary contributions to the Funded Services.

Mr Speaker, I commend the Bill to the House.

MR SPEAKER:

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

HON CHIEF MINISTER:

Mr Speaker, it can be said that no time is a good time to introduce a budget. There are always problems and conflicting currents that make one course or another desirable or unacceptable. As the Minister for Economic Development and Trade has said we know where we want to go. On the other hand we must await the outcome of the Second Economic Consultancy Report on the diversification of the economy; the proposals from potential operators for the development of commercial facilities at the Dockyard, Her Majesty's Government's final decision on the future of the Dockyard and the amount of development aid that we can expect from Her Majesty's Government to develop and diversify the economy. Finally, it would be helpful to know whether or not the frontier will open on the 25th of June and, if so, under what conditions. These are all imponderables and we look through a glass darkly. Nevertheless, we can begin to move along the road the Government proposes to take in order to diversify the economy. A Banking Bill has had its first reading in this House. It will be followed later by a new Bill to control the activities of insurance companies in Gibraltar and a further Bill to expand the controls over building societies. Meanwhile as the Financial and Development Secretary has already outlined, in the Finance Bill which is now being presented to the House, we are taking steps in the right direction.

The Minister for Economic Development and Trade mentioned that we were already in the first phase of the scheme intended to help families, who had little immediate prospects of finding suitable accommodation, by regeneration of our older properties by communal participation. This scheme together with future proposals for increasing home ownership will depend on the availability of funds for mortgages. In order to attract funds from both local and outside sources, we must ensure that depositors have confidence in building societies and in the controls exercised over them by the Government. It is also necessary to give some bonus in the form of tax free interest or special interest arrangements to attract funds into building societies rather than into funds outside Gibraltar. It is to this end that we have included in the Finance Bill this year, proposals for the initial tranche of interest on building societies' deposits to be interest free and more importantly arrangements to widen the control over the activity of building societies by the Government. I know that this will be very welcome in finance circles because of recent, rather astounding notices which have appeared in the international press.

At a time when development aid to Gibraltar is severely restricted and Government's own resources are limited it would be unwise to relax the level of taxation and allow an extra flow of income to move away from the economy. It is preferable to direct this flow into meeting servicing charges on additional borrowing for capital expenditure thereby stimulating a measure of employment and activity inside the economy for the greater benefit of the community.

Prior to the announcement that the re-opening of the frontier would be delayed until the 25th June, the Government had prepared a series of measures on import duties to enable Gibraltar to be competitive in relation to neighbouring Spain. These followed a series of meetings with different sectors of the trade who had presented detailed submissions. Publication of these measures with the necessary legislation had naturally to be deferred until a more appropriate date. These measures will be reviewed in the light of the position prevailing nearer the time. Clearly it must be recognised that the indirect tax regime in an open frontier situation should change to improve Gibraltar's competitiveness and to avoid or minimise the risk of a serious revenue loss to the Government. Changes will also be necessary to avoid a flow of smuggling from Spain to Gibraltar.

I should like to emphasise three points in respect of possible changes in the level of indirect taxation in the event of an open frontier. First, the Government does not intend to embark on a wholesale and sudden change in the structure and level of indirect taxation. Secondly, whatever the extent of the changes, it has to be recognised that a certain proportion of our revenues will be at risk and that this is an added reason for consolidation in our financial strategy for this year. Third, any possible change will inevitably reduce the cost of living in Gibraltar and will offset the modest increases in the budget which arise from increased tariffs on the Funded Services.

The point has repeatedly been made during the course of the debate on the Appropriation Bill that it is the policy of this Government to ensure that Gibraltar is self-sufficient in power and water and that the Government is confident that the people as a whole are prepared to meet the price. This price can be met either through higher tariffs or higher subsidies, or a combination of both: some increase in tariffs is justified, although Government will continue to subsidise these services. The Financial and Development Secretary has already dealt with the proposed increases in detail. I would like to refer to the effects on these increases: how they affect the average family and the impact on the index of retail prices. For electricity the effect on a household bill where average consumption is approximately 300 units, the increase represents around 75p extra a week. In the case of water, where the average consumption of the household is estimated at 35 units a month, the increase of £1.40 a month will be more than offset by the end of the imported water surcharge of £2.45 representing a net reduction of around £1 per month or 25p a week. In the case of rents, the average increase overall is £1 a week; post

war rents average an increase of £1.50 a week, pre-war rents an increase of 50p a week with some limited exceptions due to re-rating. The overall effect on the index of retail prices will be of the order of 1.2%.

I would like to highlight certain aspects of the proposed changes in the Funded Services. The Hon and Gallant Major Peliza made much in the second reading of the Appropriation Bill of the Government's failure to increase its expenditure commitment to the tourist industry, analysing it rather naively by saying that the extent of the increase was of the order of £21,000 a year. The Hon Member fails to recognise that last year the Government introduced a subsidy on water for the hotels amounting to £50,000; he will observe from the estimates that this amount was not taken up for the simple reason that hotels did not pay their current bills on due dates. Once again the Government is prepared to subsidise the tourist industry with subsidies on water and also on electricity, amounting to some £176,000. Moreover, it should not be forgotten that the tourist industry ran a very high level of arrears on the funded services and that the loss on interest foregone to the Government is estimated to be running at around £100,000 per annum. These are significant contributions and I would advise the Hon Member and indeed the House to bear in mind for the future that the extent of the Government contribution to the tourist industry cannot be measured only by the change in the estimates of the Tourist Office.

As I said in my speech on the Appropriation Bill, the theme of this year's budget is caution, prudence and consolidation in the face of many uncertainties, the most important of these being the future of the Dockyard and the re-opening of the frontier. It would clearly have been wrong, indeed, irresponsible, to have put forward radical or major proposals for change which, in the light of future events, might well have proved to be, at best, premature. This budget is therefore very much a holding budget. We remain ready to act, in the interests of the Gibraltar economy, as soon as a need for any further budgetary measures arises. I might add that, while it might be thought that this is a good year in which to raise taxes, in order to pave the way for a soft budget in 1983, prior to the 1984 General Elections, our financial policies are not dictated or influenced by electoral considerations, but by what is best for Gibraltar.

In the meantime, and in pursuance of our consistent policy over the years to which I have already referred, we have taken steps towards our declared objective of self-sufficiency in the funded services. I have made the point in this House on a number of occasions in the past that there is in principle no difference between a consumer paying for commodities such as water, electricity or housing and his purchase of other essential commodities such as food or clothing. I have also explained in the past the reasons why this principle has, in our view, to be applied progressively and not overnight. This year we again go somewhat further on the road to self-sufficiency by not only keeping pace with increasing costs but making some further advance towards the objective.

Nevertheless the expected deficit on the three funded services adds up to nearly £1.7m. The bulk of this is in respect of housing, although further contributions to the fund will be made as a result of the deferred rates increases in 1983 and 1984. The water account is reasonably nearly covered. Insofar as electricity is concerned, it will we hope be appreciated, first, that the increase is not excessive in itself and, secondly, that, in this particular case, capital costs will be significantly increased by the provision of a new and expensive Power Station which will ensure a reliable supply for the future. Thank you, Mr Speaker.

MR SPEAKER:

As we all know, and in accordance with the Standing Orders, we now have to recess for a period which the House must decide upon which should not, under any circumstances, be less than two hours. I would suggest that as it is 5.15 pm that we should now recess until tomorrow morning at 10.30 and that will give the Opposition plenty of time to consider the Finance Bill.

The House recessed at 5.15 pm.

THURSDAY THE 6TH MAY, 1982

The House resumed at 10.40 am.

MR SPEAKER:

Gentlemen, we are on the Second Reading of the Finance Bill. Before I put the question does any Hon Member wish to speak on the general principles and merits of the Bill?

HON P J ISOLA:

Mr Chairman, although it has been put over by the Government, with some justification, I think, that they are not bringing in any new measures of taxation, direct or indirect, and if that had been the position and nothing else, we would have welcomed the Finance Bill. But, of course, there has been what we consider to be the severe increases in Municipal Services, in electricity and in water charges and I will refer to that later on. Had it not been for those two increases then I suppose we would have been fairly happy. Not altogether surprised though, Mr Speaker, because as we said in our statement to the House, the financial picture of the Government, whatever may be the picture of Gibraltar as a whole and the problems that trade and business and the construction industry are facing as a whole, the Government does not seem to have that problem because it seems to have a fairly healthy position in its finances and it is clear that

even allowing for the wage and salaries review likely to take place this year, the Government should have a comfortable Consolidated Fund balance as at 31st March, 1983, and therefore can afford to be a little generous with the public this year without affecting the position of the Government in view of the possible impending opening of the frontier and allowing the Government to be flexible in its approach and abide the event before taking any further measures. From that point of view we think that the Finance Bill is acceptable but there are some serious problems and I will deal with them in a minute. May I go through the Bill itself and to the various proposals of the Government. The Building Societies Ordinance amendment, I can quite understand the problem the Government has, or appears to have, as a result of the flaws that there appear to be in the Building Societies Ordinance. The only justification, really, for putting these amendments in a Finance Bill is the proposal to allow interest up to £200 to be received tax free. If the idea of that proposal is to encourage funds going into the Building Society for development in Gibraltar, I do not think frankly, Mr Speaker, that a promise of £200 free of tax is sufficient to encourage funds. I would have thought that what would be needed there, because we applaud entirely the idea of encouraging investment in a building society in Gibraltar, for use in Gibraltar, for development in Gibraltar, but I think where one would expect money to come in could possibly be from outside and if banks in Gibraltar can accept deposits from non-residents of Gibraltar who do not pay tax on those deposits, I would have thought it would not be a difficult matter to allow non-residents to invest in building societies.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If I may interrupt the Hon Member. We did introduce an amendment which provided that any interest received by any non-resident person in respect of deposits in Gibraltar in any bank or building society.

MR SPEAKER:

That was about nine months ago, wasn't it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir.

HON P J ISOLA:

I thought it was just the banks, Mr Speaker, well, I am obliged for that information, that cuts this bit short. If we want to encourage residents to put money into building societies, then I would have thought you would have to make slightly larger allowances than £200. I believe £200 is the position in the Post Office and that does not seem to be very successful in attracting. I would have thought it should be

increased a little more to make it really attractive to residents but that is a minor point, Mr Speaker. I am a bit concerned with the substantive changes in the Building Societies Ordinance that are being put through the Finance Bill. Not that I am against the changes but I think it does create some rather substantial alterations to the structure of the law of building societies insofar as it gives the Financial and Development Secretary, possibly rightly, a great measure of control. I do not know how urgent this is but I would have thought that amendments affecting the law substantially on building societies should go through the normal process of First and Second Readings and then allow existing building societies to make any representations, or the public, as they are affected. I say this, Mr Speaker, because there are some substantial alterations being made to the law here. We are not going to oppose the Finance Bill for this reason, I just mention it because I do think that it is only fair on the state of the law that these things should not be rushed through without allowing the affected parties to make representations. I just make that observation as a general principle, Mr Speaker, electricity. Let me put our position on the Electricity Undertaking. Our position on electricity is one of opposition. One of opposition because of our fundamental objection to that ministry and to that department. We do not know enough of what happens in that department. We are entirely dissatisfied with the way the department is run, we do not consider that there exists efficiency in that department either in administrative or in economic terms and we are not prepared to agree to any measure that puts a greater burden on consumers without a response on the part of the department. We are not prepared to give that department a blank cheque and therefore we will oppose the increases in electricity because we believe that the increases that continue to take place in electricity in Gibraltar time and time again are made necessary to a very large extent, we do not know to what extent, Mr Speaker, because we do not have any information on that department, but to a significant extent are made necessary by inefficiency and poor planning in that department. Whereas we might look at it differently if we were satisfied about that department, we are not going to agree to increases of the order of 20% and 25% to consumers merely to cover up the deficiencies of that department. I am afraid it is no to that as far as we are concerned. Mr Speaker, the reduction in gaming taxes. We are sorry to have come to this point but this is not something we can vote against. If the Financial and Development Secretary feels that this is the only way to get more revenue in, well, we will go along with it. We are not against taxes on gaming, in fact, we are all in favour of that activity making a significant contribution to the economy. Mr Speaker, as far as imports and exports, I think the Government is wise about not doing anything at this stage on it. The only thing that I wonder is whether the statement of the Chief Minister, which I am surprised to see did not appear in the Gibraltar Chronicle this morning, Mr Speaker, nothing seems to have happened as far as the Chronicle is concerned. Well, Mr Speaker, I do not know whether the Hon Mr Bossano is right, that we must put more

money into GBC. We probably did not vote enough yesterday, we should put more in to make sure that at least we have somebody here with us. It would be terrible if our Constitution provided for a quorum in the gallery.

HON CHIEF MINISTER:

If the Hon Member would give way. There is not one word in today's Chronicle that there is a House of Assembly sitting on the budget.

HON P J ISOLA:

I know it is a big problem but the question of the indirect taxation position has been left very much in the air. I see the problem but I do not know whether the Government should not make some sort of statement soon because this is bound to affect revenue. If traders are holding back on importation, the import situation will be minimal all the time until they feel one thing or another is going to happen. I would strongly recommend to the Government that if it appears that June the 25th will pass without comment, then I think definitive statements should be made as to the position up to the 31st March, 1983, so that people can carry on their affairs in a reasonable manner and divorced from all this uncertainty. We agree with the amendment proposed to the Income Tax Ordinance, Mr Speaker. Telephones; well, my Hon Friend Mr Restano in his opening speech put our attitude forward on it, I understand the Minister for telecommunications will be saying something about local calls and no doubt somebody on my side will answer on that. Mr Speaker, the fees there, it is a whole string of them, we are not particularly concerned about them, but what we are concerned, Mr Speaker, with this department again is the question of giving the consumer service for what he pays. We are told that telex rentals have not been put up since 1980 and we are told they are going up. But, Mr Speaker, what happens when the telex landline goes out of repair? People are left without telexes, businesses are left without telexes for a period of time. People do not mind paying as long as they get a service. This is the point that we are trying to put through on the Municipal Services Vote and that is that the public are entitled to service. They pay and they should get service and they do not, Mr Speaker. I think in that department, although one can point to a lot of efficiency there and we do not quarrel, it is not the same as electricity, our objections are not as broad as to the Electricity Department, but when it comes to repairs and getting things working again it should not take in Gibraltar, Mr Speaker, the time it takes to get the telephone back into service or a telex back into service. And if the Government is so keen, I think rightly so, in building up Gibraltar as a Finance Centre, then it is absolutely essential that when a telex gets out of order it gets priority because it is on a separate vote, it is being paid for separately by the consumer, there is no reason why a telex fault should be put in the queue with telephones.

because the public are paying a separate rental for telexes, there should be a separate service. I think that is important because people who have got telexes is because it is essential to the commercial running of the business and therefore to the commercial life of Gibraltar. No increases are very much until you start adding them up, Mr Speaker, but the increases are not such as to put people who have telexes in fear of having to give them up but they do expect a service and I hope the Government will give it. Mr Speaker, after that, on the Finance Bill, there is nothing else I think to comment on, except the water. I must have missed it out somewhere. Ah, yes, the amendment to the Public Health Ordinance on water. Mr Speaker, when the Government brought before the House the special supplementary charge of 7p per 100 litres resulting from the importation of a tanker, we were specifically told that this would be for a period of 3 or 4 months to recoup the cost of the tanker. After that it was not unreasonable to expect things to return to normal. It is very surprising now, to be told, Mr Speaker, that for people who do not consume more than 35 units they will be paying less, in fact, well, they will be paying less to what they were told they were going to be paying for 3 months, but they are going to be paying more than what they paid in December. And if they consume more than 35 units they will be paying, Mr Speaker, a lot more than they were paying even during January, February and March. The increases are sharp. It is 20%, 25% and when one considers, Mr Speaker, that salary increases and wage increases and the rate of inflation is hopefully now around 9% or 8%, these are substantial increases and, therefore, we do not consider them to be justified and for this particular department, Mr Speaker, for this particular service, one has to go to the general revenue position and one has to say that as far as these funded services, generally, are concerned we do not support this indiscriminate, as it were, increases that occur there and whilst the departments are not, in our view, run efficiently and for the benefit of the consumer. We do not accept, Mr Speaker, that the increases proposed are going to put up as I think I saw on the television screen last night, television was not misreporting, it was actually saying what was said here, 75p more in water, I think it was, and £1. or £2 in electricity or the other way around, I cannot remember which way it was. We think that the increases will be substantial and we think that before asking the consumers to pay more for these services, the consumers should be satisfied that they are getting value for their money and I am afraid we cannot say that they are from our experiences and from our experiences in this House as to the way these departments are run. Mr Speaker, as we said in our budget statement, my Hon Friend Mr Restano said, the position of the economy is fairly healthy and I think this is recognised by the Government in the fact that they have done nothing as far as direct or indirect taxation are concerned. But as far as the Municipal Services are concerned, Mr Speaker, and the odds and ends, the Government is still raising nearly £1m more from the public mainly in the Municipal Services, £800,000 odd, and we do not feel that in the circumstances of the budget and in the circumstances of our statement and what we said that these

additional measures are justified and therefore we will be voting against the Bill though not, of course, in Committee Stage, to individual items of the estimates. There is one other thing I also mentioned, Mr Speaker, and asked about, the increase by the Government of rent of 20%. I am not sure what the position of the Government is here because if the Government has thought it necessary to put a moratorium on rents in the private sector pending the deliberations of the Select Committee on the Landlord and Tenant Ordinance, should Government take advantage of the fact that the Landlord and Tenant Ordinance does not apply to them and put increases on rents of Government housing without first seeing the recommendations of the Select Committee on the Landlord and Tenant Ordinance. I do not know what these recommendations will be, I do not know when they will be coming but it seems to me that the Government tenants could legitimately complain that if there is a freeze on rents it should be a freeze applicable throughout Gibraltar and not just to a section of Gibraltar. That, Mr Speaker, briefly, are my comments on the Finance Bill.

HON ATTORNEY-GENERAL:

Mr Speaker, I should like to refer to the comments made by the Hon and Learned Leader of the Opposition as to the scope of the Finance Bill so far as it affects the Building Societies Ordinance. We recognise that the substantive provisions contained in the Bill do go some considerable distance in the context of a Finance Bill and we were conscious of this when we were preparing the Bill. I must say I am pleased that the Leader of the Opposition does feel able, nevertheless, to accept that because we did see it as an integral part of the exercise of encouraging investments in building societies and at the same time as a corollary in tightening up the control in the interests of Gibraltar. I think all I would wish to say further by way of clarification, Mr Speaker, is this, that although in one sense the amendments are quite extensive, we have sought to have them conform to a rationale and, by and large, the scheme of the amendment is that the Financial and Development Secretary who I think Hon Members opposite would agree is the appropriate person ultimately, at first instance, to protect the financial reputation and stability of Gibraltar, is given powers for just those circumstances. If Members would care to look, for example, at Clause 4. The case in which the powers can be exercised is where the public interest is involved and where it is necessary to act in order to protect the interests of lenders or to protect the reputation of Gibraltar in relation to financial matters. Similarly, going back to Clause 3, Sub-clause 2, which contains the powers to give directions, again lay out the conditions which must exist before these powers can be exercised. It is true that on the same Clause there are powers of inspection but I think that is really machinery, one needs the power of inspection where one can form a view on a matter such as this. As I see it this is really an overlay to the basic scheme of the Building Societies Ordinance which remains unimpaired in matters that in the

ordinary course of the administration of the Ordinance it is the Registrar who is responsible and indeed we have gone a step further and we have provided that the Financial and Development Secretary shall consult with the Registrar before exercising what would necessarily be special cases these additional powers. I take the point that we have gone quite a long way in the Finance Bill but I hope I have satisfied the Opposition that we have done so after careful consideration and we do see it as part of an overall package, if one likes, in relation to financial policy concerning building societies. Mr Speaker, may I also take the opportunity to comment briefly on Clause 10(1)(a) dealing with the proposed amendment to the Section 7, Income Tax Ordinance. The proposal there is to allow the first £200 interest derived from a deposit with a building society to be free from tax and my attention was drawn last night to a possible ambiguity there. In principle, it is not intended that it is £200 for each building society so if a man has investments in each of three building societies the maximum that it is intended that he should be able to have by way of exemption is £200. That may be split between all the various building societies but there is an overall limit and, accordingly, Mr Speaker, I would like to give notice that in Committee I will be moving an amendment to clarify this ambiguity.

HON M K FEATHERSTONE:

After the non-speech by the Leader of the Opposition, because he obviously did not have anything he could really get his teeth into, there is very little that I want to say at all. I just want to make a very brief remark on the Government's attitude towards water. I would not accept the contention of the Hon Leader of the Opposition that you do not get value for money in water and where he mentioned that he expected a return to normal after the extra 7p came off, well, to a very great extent we are returning to normal because under normal circumstances some increase would have been made to allow for inflation anyway. This would be the normal state of affairs. The basic idea of the Government is that as far as possible, the primary rate of water should be supplied to the domestic consumer at a reasonably subsidised rate and that all other water should be paid for at at least a marginal rate and perhaps something beyond the marginal rate to allow for the subsidy for the low rate on the primary of the domestic consumer. As I gave last year figures for the domestic consumer, I did last year give the whole water given to domestic consumers, this year I will confine myself to the primary rate where it is the Government's opinion that a subsidy is justified and should be continued. If we were to take the cheapest forms of water, the rainfall, the wells and the balance by the next cheapest form which is importation, then the cost of the water supply to the primary rate to the domestic consumer is some £500,000. For that we get back approximately £375,000, so we are giving the primary rate consumer a subsidy of 25%. I think that is quite reasonable.

If, of course, and this is a point that is always open to discussion, if, of course, you should take water not at the cheapest sources for the primary rate but at the generalised marginal rate for all water, then the actual cost would have been £850,000 and this would give a subsidy of 55% but that is a moot point and I think the Hon Mr Bossano with a certain amount of justification did say that we should give the cheaper water to the domestic consumer. I would not say he is right, I would not say he is wrong, it is a point of, perhaps, academic discussion but it does show that we are basically giving the domestic consumer a pretty fair deal of 25% subsidy and as has been said by the Chief Minister after the third charge is removed, it does actually mean that people will be saving about £1 a month on their water if they are using 35 units which is the normal consumption. If you use over 35, if you use up to 45, you are still getting the benefit of the subsidy so you are not doing too badly. If you are one of these people who to some extent are greedy with water and you use well over the 45, well, then you should pay for the extra. The other point I think that is worthy of mention, Sir, is that Government does try to help out certain areas. The hotels and shipping will both get a subsidy. Basically, the hotels will get the subsidy if they pay their accounts on time and shipping, who usually pay their accounts on time, will also get a subsidy so we are doing something, I think, to help our tourist industry and to help our Port industry. I would just take issue with the Hon Leader of the Opposition, in water we do give value for money.

HON J BOSSANO:

Mr Speaker, on the Appropriation Bill I painted a grim but I think realistic picture of the prospects for the economy of Gibraltar in the light of the three things that are likely to affect it in 1982/83, the intended closure of the Dockyard, the possible adverse effect of the frontier opening and the de facto cessation of development aid. I think in looking at the Finance Bill I have to look at it from a perspective not of the merits or demerits of the specific measures themselves but for its coherence in terms of what it is going to do for the economy of Gibraltar against the background that I think is the real background in which this House should be looking at the budget and in that respect the Finance Bill is a failure. The Finance Bill does not address itself to producing a strategy for dealing with a potential risk to the economy of Gibraltar. There are, however, some welcome things in the Finance Bill and perhaps I should deal with the welcome things first before I start dealing with the others. The view that I have put in the House over the last nine years, Mr Speaker, when we have come to budget time, has been that Government, in developing a policy on raising revenue, needs to do more than simply a financial exercise and that the measures that are contained in a Finance Bill can be seen as having as well as a revenue raising effect, a political or social objective in bringing about re-distribution of incomes from one section of the community to another, and also, thirdly, economic objectives. I welcomed last year the mention, by the Hon Mr Canepa,

of economic planning as part of the Government's strategy although I cannot say that I have yet seen that translated into any practical measures of economic planning. I will give the Hon Member the benefit of the doubt, but I must say that I am very sceptical about plans and projects and so on, because I hope that the one that he intends to present tomorrow evening does better than the City Plan that made its appearance in 1976 and was never heard of since, Mr Speaker, and that is six years ago. But coming to the actual measures, to illustrate the economic impact of specific measures, clearly the intention of making the first £200 of interest from building societies free of tax is not a finance measure, it is not a revenue raising measure, it is not concerned with the re-distribution of income, it is concerned with attracting resources into a particular area and that is what I understand by using fiscal measures to achieve economic objectives. I agree with what the Leader of the Opposition has said that in terms of its impact it is difficult to see how that sort of amount of money is going to draw any large sums into the building societies to provide for mortgages since we are talking at present interest rates of capital sums of about £1,800 to produce £200 in income. I would therefore have thought that if the Government already nine months ago legislated so that non-residents could have an unlimited sum of money on deposit to building societies and if we are trying to attract sufficient funds to provide resources for mortgages where house building costs in Gibraltar are in the region of £30,000 a unit, then in fact not only is there no justification for doing what the Attorney-General says he proposes to do with his amendment which is to limit the total of all societies at £200 but I think, in fact, the Government should go in the other direction and not put a limit unless they tell me that that will produce an enormous revenue loss. The Chief Minister mentioned in his statement, I am not sure whether it was on the Finance Bill or the Appropriation Bill, the fact that a lot of people have their money invested outside Gibraltar and therefore avoid paying tax because there is no way of making them pay tax although technically they should be declaring it. Well, surely, if this is true, all that is going to happen is that at the most people are going to put sufficient funds in the building societies to take them up to the £200 and then the surplus will still be continued to be put outside Gibraltar and will still not produce money.

HON CHIEF MINISTER:

If the Hon Member will give way. I said that in connection with the proposed tax free loan that is going to be issued, to attract the money in the tax free loan, this is completely separate. My reference to that was in connection with the proposed tax free loan which we hope will attract the money that is invested elsewhere at a tax free rate which will be about the same as if having it and paying tax and at least they know that they are not doing something wrong.

HON J BOSSANO:

But, Mr Speaker, I accept that point entirely and what I am saying is that the logical extension of that philosophy is in fact to apply it to building societies because if we look at the need to raise public finance and the Government is saying, in order to be able to tap savings from Gibraltar we are going to offer tax free interest on Government loans and we are also going to offer up to £200 interest on the Savings Bank which is already the case and on building societies, and if we look at the most serious problem facing the Government which is to raise finance precisely for housing because ODA funds can no longer be used to finance public housing, then, effectively, to the extent that we are drawing resources into the building societies to finance owner/occupiers and mortgages, then to that extent that is compatible with raising public finance to construct public housing. I think, and I shall have more to say about that particular strategy, the way the Government proceeds with building more houses in the light of the decision of the ODA, but the point that I am trying to make is that I will not support the amendment proposed by the Hon Attorney-General because I think it should be going in the opposite direction unless I am told that this will produce an enormous revenue loss which I do not think is the case because, in fact, we already know it can be avoided and it is being avoided. I think it is compatible with what the Government itself is doing and it is compatible with what the Government has attempted to do in the past which is to generate the production and consumption of houses as an economic activity outside its own provision of housing. The seriousness of tackling the housing problem is precisely because we already have a situation where we are talking about 65% publicly owned houses and only 4% or 5%, the figure the Hon and Gallant Major Peliza mentioned in the Appropriation Bill, only 4% or 5% owner/occupiers. The Government has been attempting, I think, to find a way of breaking this deadlock and therefore to the extent that these measures can be made to succeed, there is every reason for making them as successful as possible. If it is a successful incentive, Mr Speaker, then I do not think we should put a barrier on its success and if it is not a successful incentive then however much we offer people as the maximum that they can have without paying tax, it still will not produce anything. I do not think that the £200 limit can do anything other than act as a barrier to a successful response if there is a successful response which we do not know at this stage because just like on the other side we have been told that the gambling tax found people doing something to avoid having to pay, we find that the ingenuity of man is constantly tested in trying to avoid ways of paying taxes or paying duties and therefore I think that it is an area that one can only act on certain assumptions of anticipated results and then make a considered judgement on the effectiveness or otherwise of the measures, in the light of experience. I obviously welcome the decision of the Government to proceed with the amendment that I suggested last year and particularly the fact that they have been willing to backdate it to the beginning of the financial

year. It was, in fact, an unintended penalty on people who separate because I am sure the Government never intended to tax them more for it. I would have thought they have enough problems already without being taxed for it on top. Coming now, Mr Speaker, to the overall position. I cannot say that the Chief Minister is being entirely straightforward with the House when he talks about this year's budget being prudent and consolidating the position and so on because in fact he said the same thing last year. There is nothing in this year's budget that suggests that the circumstances of this year has produced a new response from the Government. I think this year we are getting a re-run of last year. If the circumstances of this year require consolidation, then the circumstances of last year were totally different. In last year's budget the White Paper had not come out, Mr Speaker. Quite obviously, consolidation is a strong card in the repertoire of the Government and it seems that the difference from year to year is the reason for the consolidation, the consolidation is always there but one year it is because of the frontier, the next year it is because of the Dockyard and no doubt the next time round it will be because of the Falklands or something else but a reason will be found every year and I think the only credit that the Hon Member can take is that in that respect he can say he is being consistent because that is what he tells us every year that he is going to do, to consolidate the position and to be prudent and so on and so forth. I think that the situation requires not a budget of consolidation but a radical approach to the management of Gibraltar's economy which is different from what I have suggested in the past in the sense that for me, in the past, the parameters within which we were operating were given parameters in fact we had an inherent stability in the economy of Gibraltar by a continuing Defence expenditure here which meant that to some extent the management of the economy was the management of given resources whereas now we are finding that the value put on those resources has got a large question mark over them in a way they have never had in the past and therefore the alternative of the GSLP to this situation would be to say to the British Government that there is no such thing as an alternative to a Naval Dockyard. The only thing that there is an alternative to is a defence economy for Gibraltar and what you cannot have is a continuing control over Gibraltar's resources to the extent that it suits you, until it suits you, and then when it does not suit you, you hand us the thing on a plate, you tell us here you are, you find a solution to the problem. We do not have to find a solution and I am not suggesting that the Government in fact should be looking to solutions to put to the British Government although I think they should be doing their own homework and making their own preparations as to how to handle the problems that may come, but I do not think they should accept the devolution of responsibility from the British Government to the Government of Gibraltar for an economic crisis that is not of the making of the Government of Gibraltar and for which I am not holding the Government of Gibraltar responsible except to the extent of their reaction or their failure to react. I have no doubt that all Members in this House, as indeed the

entire population of Gibraltar, would wish the Dockyard was not closing and I find that the most difficult part of the situation to face is that on both sides of the House people are still saying "when a final decision is taken", whereas the British Government is saying "a final decision has been taken". The British Government is saying the decision cannot be either reversed or deferred. If that is not final then I do not know what final means. As far as the British Government's decision is final, as far as the trade union movement in Gibraltar is concerned it is not final and as far as the GSLP is concerned it is not final and, therefore, my position is that we should not be in Gibraltar attempting to take up the slack, if you like, the deficiencies created by the policies of the British Government. I will not go into the question of the wisdom or otherwise of maintaining the level of activity in the development fund by raising finance through loans. I have in the past advocated the use of borrowed funds for capital investment as opposed to the use of funds from the recurrent revenue. Since 1972, Mr Speaker, I have been consistently objecting to what was policy, going back to 1964, because I have taken the trouble to check for the eight years before I was in the House, the policy of making contributions from the recurrent budget to the capital fund for long-term development and I have always argued that it was better to use that money to finance long-term borrowing because that would enable us to gear up and for the same amount of money to carry a bigger volume of work. I cannot accept that we should substitute our own money for money from ODA because for me that is a de facto acceptance of the ODA's argument that we are too well off and that we can do it ourselves and that they do not need to help us. Nor do I accept that it is accurate or valid to say, as was said in last year's estimates, that the sustain and support policy of the British Government is the result of a closed frontier. I do not accept that it is true to say that we had no aid before the frontier closed and that we used to finance everything ourselves and we were economically independent. I do not think it is true to say that, I do not think it is accurate to say that and I do not accept that the British Government has no responsibility for giving financial aid to Gibraltar if and when the frontier re-opens. So because I do not accept those promises, I do not accept the cessation of development aid and, clearly, as far as I am concerned, it has stopped already, Mr Speaker, even without the frontier opening. It is for these reasons that the underlying strategy is one which I am opposed to. As regards the philosophy of financing the funded services by charges to the consumers of those services, I cannot accept and I have said this before, Mr Speaker, the only thing is I appear to need to say it every year because I find myself answering the same arguments every year. I certainly cannot accept the argument of the Hon and Learned Leader of the Opposition for not supporting the charges because he says that they believe the Electricity Undertaking to be inefficiently run and therefore they will not support the public paying more. Well, if the Electricity Undertaking is inefficiently run the public is paying more and there is nothing that they or I or anybody else can do about it because short of not paying people, the public

has to pay more whether it pays it through income tax or it pays it through electricity charges. So if, in fact, we were to oppose an increased charge for electricity on the grounds of accepting the argument put by the Hon and Learned Leader of the Opposition that the Undertaking is inefficiently run, it would not make it more efficient it would just mean that taxpayers would pay for that inefficiency instead of electricity consumers paying for that inefficiency but, in fact, the people would be the same people.

HON P J ISOIA:

If the Hon Member will give way. I think the point I am making is that if we voted against this it would encourage, hopefully, those concerned with the administration and the economic management of that department, all those concerned, to make efforts to be more efficient in economic and administrative terms and there, of course, I also add the Hon Member himself.

HON J BOSSANO:

I am touched by the Hon Member's faith and trust in human nature. I think the inefficiency or otherwise of the department which I am not in a position to judge myself, I have got no way of measuring the efficiency of the Electricity Department. I know what the theories about workers' control tell me it would be like and the theoretical textbooks that I have read on workers' control, Mr Speaker, tell me that that is the most efficient type of organisation but I do not think I can use up the House's time to try to persuade the Hon and Learned Member to read the same books as I do, Mr Speaker. He might think that a privately run undertaking was more efficient but I am not in a position to judge whether it is efficient or inefficient because I have got nothing to compare it with. But I know that the services we provide, and I have mentioned this in the past and I mentioned it in the course of my contribution on the Appropriation Bill when we were talking about the subsidy to GEC, I know that the services we run in Gibraltar can look inefficient if we discount economies of size. One could argue that the Dockyard is inefficient but the Gibraltar Dockyard is one quarter the size of Chatham and one fifth the size of Portsmouth. Unless one understands that being one quarter or one fifth of something else carries with it penalties and also some advantages, in the case of the Defence Review, clearly, if there was a marginal increase in capacity decided because of the recent events, we would stand to benefit from that because it makes more sense to restore the Gibraltar Dockyard than to run Chatham at one quarter in size. If, on the other hand, the increased capacity that was intended was going to be four times the size of the Gibraltar Dockyard, it would not make sense to run three quarters of Chatham and us. So, clearly, size determines what we can do and what we cannot do and I think that in terms of cost per unit of output one would find that in generating electricity, probably, I am not really well informed about this, Mr Speaker,

but probably, I would say, from the little that I know, the bigger the size of the station the lower the unit cost, I would have thought. I do not accept that the financing of these services has necessarily to be met by the consumer nor do I accept the arguments that have been put in the past in support of this. Last year, in fact, I challenged the accuracy of the statement that had been made since 1978 that whereas before we had parity it was justified to provide substantial subsidies, once we had parity it was no longer justified. Quite apart from the fundamental issue that I have already mentioned about who is subsidising whom, because if I am being taxed more so that I pay less in electricity, whether I am getting parity or not getting parity at the end of the day I have paid the full cost of the generation of electricity one way or the other. Quite apart from that fundamental point, Mr Speaker, I mentioned last year that it just was not true, that there were not substantial subsidies, that the subsidies that had actually materialised in the first five years of the electricity undertaking were subsidies that the Government was not aware existed because there were notional accounts and it is only when proper accounts were done five years in arrears that it was discovered that we had been subsidising to the tune of £2½m. They were never intended subsidies because we did not have parity and, in fact, at the time the argument was that we could not provide subsidies even if we wanted to because the Ordinance setting up these undertakings following the merger of the City Council with the Gibraltar Government precluded such a possibility. I have already said in the Appropriation Bill, Mr Speaker, that in my judgement the stresses that could be created if the Dockyard closure proceeds irrespective of whether it is replaced by a private employer or not and, possibly, even more so if it is replaced by a private employer for the reasons that I explained about the conflict that will be created by having two people working side by side for different rates of pay and different conditions. I have said that in my judgement the whole concept of parity, the whole system of wage negotiations in Gibraltar could come tumbling down. In fact, the indications we have had in the estimates are that the Government is providing for this year's wages and salaries review on the assumption that this year the policy of parity will continue to be implemented although in a question at an earlier meeting of the House the Honourable and Learned Chief Minister said that he was not in a position to give a clearcut answer at the time that it would be continued in the pay review of this year, I take it that now, on the basis of the figures we have in the Appropriation Bill, there is no doubt that it will be continued.

HON CHIEF MINISTER:

We look at it from year to year and I agree with the Hon Member that the provision is on the assumption but there are no changes in wages certainly as far as we are concerned.

HON J BOSSANO:

But then I would say, Mr Speaker, if indeed in the longer term it proves impossible to maintain this system of determining wages and salaries in Gibraltar, whether that means that the policy of not having substantial subsidies goes by the board. Since we have been told since 1978 till 1981 that the reason for it was the introduction of parity. Certainly, if there was a situation developing as a result of the other changes where it was no longer possible to maintain parity with the United Kingdom, I would look to the Government to be consistent on this point and come back and tell us that now we do not have parity their policy would be to give substantial subsidies. Although I cannot myself see, for the reasons that I have said, how that is economically tenable, Mr Speaker, because at the end of the day if they are going to give substantial subsidies to people who are earning less, they are not going to have the taxable capacity to provide the money for the subsidy but, nevertheless, I am just posing the question because that has been used for a number of years as an argument in support of increases. Apart from these specific measures then, Mr Speaker, the Government has said that it is not going to review the Income Tax provisions. The Hon Financial and Development Secretary has already pre-empted my possible raising of the question of indexation. I have always suspected when he drafts his speech, Mr Speaker, he tries to put himself in my place and answer my questions before I get a chance to ask them. Let me say that in the United Kingdom there was the indexation of tax allowances introduced which was subsequently, in fact, removed by the Government and that this year the Government increased tax allowances by more than inflation although not sufficient, in fact, to make up for their failure to maintain indexation of allowances. I do not support the thesis that we should go along with the United Kingdom income tax structure. I must make that clear because I think that the structure that they have got in the United Kingdom and the changes that have been introduced by the Conservative Government effectively have involved a shift of the tax burden from the higher paid to the lower paid and I will oppose any attempt to follow that road in Gibraltar. Mr Speaker, I do not think we want to have parity with right wing Conservative ideology. We want to have parity of standards of living and to the extent that we are capable of being more progressive in Gibraltar by using the income that we get which is the equivalent of the income in UK, then I think there is nothing in conflict with the concept of parity that says that we should not do it or that we cannot do it. Therefore, I am not advocating a duplication of the UK tax structure in Gibraltar, what I am saying is that, in fact, the incidence of taxation at the bottom is higher in Gibraltar than in UK for the average worker on average earnings of £110 a week which the Hon Member has mentioned. Therefore, if we take a situation where we have got United Kingdom rates of pay but higher direct taxation than in the United Kingdom, and I think we are now rapidly moving into the area of having even possibly higher Council rates than in the United Kingdom and

certainly higher electricity charges and higher water charges than in the United Kingdom, then I do not think the United Kingdom can turn round to us and say that we are too well off and that we should not have aid. We are already, Mr Speaker, providing from incomes similar to those of UK far more at the level of the average working family, far more than their counterpart in UK would be expected to provide and, certainly, in the case of housing even in the financing of houses outside the Local Authority, Mr Speaker, when houses are being built by organisations such as housing associations, the grant provided by the housing corporation account for something like 80% of the building costs. The Gibraltar Government, I think, faces an enormous problem in trying to resolve the demand for housing purely by increasing the stock of Government rented houses. We have seen two years in succession of 20% increases in Government rents, Mr Speaker, and hardly a dent on the deficit in the Housing Account. After two successive 20% increases which make it a cumulative 44%, we have £11m shortfall on the Housing Account. Again, it might be argued that the thing is run very inefficiently and that that is the reason for it. Well, I do not know whether we compare badly or well with other public housing authorities in other parts of the world, Mr Speaker, again I cannot judge, but I know one thing, that the most serious liability facing the Housing Fund is not the wages of the people who look after the Housing Estates but the financing cost, the amortisation charge which will be, as I see it, an increasing burden on the fund if we have to provide the money for housing entirely by borrowing and then that money has got to be translated into a charge on the Fund. Let us not forget, Mr Speaker, that that charge is in fact understated, there is an understatement, there is a hidden subsidy which the accounts do not reflect and I am not opposing it, I am just saying that it is there and that we should be aware of it in passing judgement on this issue because the funds provided are charged to the account on a 16-year repayment basis and the Government may be borrowing through this syndicated bank loan on a very short term basis of five years. If they raise, say, £11m for Rosie Dale, they are going to have and repay the £11m well before it has been recovered by charging it to the Housing Fund and consequently to tenants. Given that sort of picture, I would say that simply to carry on with the same process on the basis of prudence and consolidation and so on and so forth, would lead us into a situation where we would have to be paying astronomical rents in the public sector of housing to make the accounts self financing. I accept that it is an extremely difficult problem to resolve. I have been myself trying to think of ways in which I could suggest positive measures to the Government and I have found it very difficult to come up with positive answers, Mr Speaker. I am not trying to minimise the enormity of the problem but what I am saying is that the road we are pursuing at the moment is not a road that is going to resolve it for us. It is one which will neither produce the houses nor produce finance for those people who are already housed, sufficient to cater for those who are on the waiting list

and I think a far more radical look needs to be taken at the whole question of the provision of housing and I think we have got to be honest with ourselves in looking at the distribution of the Government housing stock today, and recognising that whilst being critical as I have been of the failure of the British Government to honour its pledge to sustain and support Gibraltar, and as far as I am concerned that is what is happening with aid and I do not mince my words and I think in any case that that commitment is a fundamental commitment arising out of our constitutional relationship, whilst being as critical as that about it, I have also got to be honest with myself, with this House, and to say that it would be very difficult to justify to the British Government that there should be people living in subsidised Council houses, because that is effectively what we have, who own villas in Spain. If they can afford to own a villa in Spain then how is it that they need to live in a subsidised Council house? Nobody in the Treasury in the UK would understand that. I do not accept that this is the reason why they have stopped it, I think there are other considerations why they have stopped it, but I do accept that if we are going to be as critical as I suggest we should be of the British Government's failure to give us the assistance we are entitled to expect, we must also be critical of the way we are doing things and recognise that if somebody can afford to spend money on a second home in Spain it is difficult to understand why they need to be subsidised to the tune of £14m on their first home and this seems to be a growing trend in Gibraltar even before the frontier has opened and I think a situation that one could envisage where with an open frontier you would have on the one hand people living in Government housing and meeting only a proportion of what it costs to provide that housing and with a second home across the border where they spend the weekends and at the other end of the scale people who are homeless. There is something fundamentally wrong with a society, a social system, that can countenance a disparity like that where we are subsidising some people to that extent and we are incapable of producing sufficient resources to provide for those who need it. Let me say just one final point in this respect, Mr Speaker, that there is one mention made by the Hon and Learned Chief Minister, I am not sure if it was him or the Financial Secretary but I think it was him, about the income tax allowances not being altered because it was better that the money should be used to finance more economic activity than that people should be allowed to retain it

MR SPEAKER:

It was the Hon Chief Minister who said that.

HON J BOSSANO:

Let me say that I accept the validity of that argument entirely. It is, in fact, again, an example of what I consider to be economic policies as opposed to fiscal

policies although I am surprised that in fact the Hon and Learned Leader of the Opposition has not made a mention of that, perhaps another Member of the Opposition will, as regards the acceptability or otherwise of that philosophy because essentially what we are saying is that as legislators, as elected Members, we feel we have the right to interfere with the freedom of individuals to spend his money on the production of houses rather than on the purchase of videos or transistor radios. That is a philosophy which I am prepared to defend politically but I think I would be interested to know whether it is a philosophy that is just shared by Government benches or whether my colleagues on this side of the House agree that it is a defensible position today and to say to people: "We are in fact channelling some of your money into housing, that is, we are taking it away from you and we are using it to generate economic activity because if we let you keep it all that would happen would be that you would spend it in imported goods which would not have a multiplier effect on the economy".

HON A J CANEPA:

Mr Speaker, before I get myself embroiled in answering any of the points raised by the two Members from the benches opposite who have intervened in the debate, I would like to mention that it is intended to extend for a further two years the provisions which are made under the External Repairs and Decoration Rules which were in fact made in 1980 and which are due to lapse on the 30 June this year, it is intended to extend them for a further two years whereby people who spend money on external repairs and in decorating the facade of their properties are able to claim tax relief on that expenditure. It is important that we should do that because we are currently engaged in the Development and Planning Commission in serving Notices under Section 23 of the Ordinance in a systematic fashion whereby we do require, in fact, owners of properties, particularly in Main Street, to spend money on improving their facade, this is very much a programme which is part and parcel of what the Government wants to do generally to create a better touristic ambience in Main Street and therefore it is only fair that particularly having regard to the fairly high expenditure involved in such improvement and repairs, that people should continue to get tax relief. Some advantage is taken of the provisions, not as much as I would like to see, particularly as some of the advantage that is taken arises as a direct consequence of the Commission serving Section 23 Notices, and one would like to see landlords taking advantage of the tax relief without the need for such a Notice to be served on them or without it being a direct consequence of that. Sir, the Hon Mr Bossano made some reference to the approach that I had explained in my contribution to the debate on the Appropriation Bill last year which he chose, I think, to interpret as being a commitment to economic planning or to the production of an economic plan as he would understand that to be. I do not think that that is what I said last year, I think what I did was to spell out on the one hand the importance of the

development programme in achieving economic objectives. I think I also spelt out the need to coordinate the Government's fiscal, borrowing and general economic policies with a development strategy but I did not see that as amounting to an economic plan. I do not know whether he himself did. For that matter, the 1976 City Plan certainly was not an economic plan. All that it did was to give broad brush guidelines for land use and for town planning objectives, thereby constituting the statutory instrument of town planning policy which guides the Development and Planning Commission in its considerations for proposals involving land use. I never said that I had an economic plan. What I have brought to the notice of the House in the two years since I took over the responsibility for economic development have been a series of schemes, some of them of a fairly major nature, both for the public and for the private sector and I can tell the Hon Member that I am beginning to get very frustrated at the fact that for a variety of reasons these schemes are not getting off the ground and there is a limit to the extent that one can be esconced in Secretariat discussing with advisers, discussing with officials and other Ministers, aspects of town planning and producing schemes which are intended to be of considerable economic benefit to Gibraltar and find that the fruits of that labour are not being realised either insofar as the private sector is concerned because of the non-event of the opening of the frontier and people are waiting to see what happens, and in the case of the public sector development programme because aid from Her Majesty's Government is not forthcoming to the extent that it ought to be. I think, Mr Speaker, that nothing worse could have happened to economic life in Gibraltar than the uncertainty of the last two years. If we knew that the border was not going to open for another ten years we would know where we were going, likewise, if we knew for certain that it was going to open on June the 25th, traders, businessmen, developers, could get down to some real planning. But in my view I think the last two years have been tragic for Gibraltar in this sense. That is why, for instance, we have had to put off the City Plan, because even if it only deals with town planning objectives it is ridiculous to come up with something in such an uncertain situation. I can tell the Hon Member that as far as the arguments that we have used in respect of our case for development aid is concerned, and that was done in November in meetings that we held with officials here and then in December when the Chief Minister went to London, the Government has, of course, laid a great deal of stress on the fact that we are paying higher taxes in Gibraltar than our counterparts in the United Kingdom, that we are paying for higher electricity and for higher water charges but so far it has been virtually water off a duck's back. The response has been most disappointing particularly at official level. Perhaps to a lesser extent at the political level where the Chief Minister has intervened with the Lord Privy Seal and the Foreign Secretary. But at official level the response has been extremely disappointing and therefore I should also stress that in the aid submission itself a great deal of play was made by the Government about these

considerations regarding what we ourselves are putting into the economy. Therefore, I hope that he will understand my frustration but for his own part he has claimed here in the House that he had an economic plan and we have not seen that economic plan. He was pressed by the Government a couple of years ago, I think, to cooperate on this matter, there was some correspondence I recall with the Chief Minister; the Hon Member put down as a necessary pre-requisite a number of conditions which I think the Government could not accept and, finally, as I seem to recall it, it all became a question of the Hon Member producing something on home ownership. Again, I have not seen any proposal from the Hon Member but I am prepared to do in his case what he said he is prepared to do in my case, I am prepared to give him the benefit of the doubt. In dealing with the question of the Dockyard he then mentioned that other Members in the House were totally mistaken in speaking about no final decision having been taken on the Dockyard when in fact it had been made palpably clear by the British Government that a decision is irreversible and that there can be no question of deferment. My understanding of what is at the back of minds of Hon Members other than the Hon Mr Bossano when we talk about a final decision is this imponderable about the feasibility in purely economic terms, forgetting about the repercussions in the field of industrial relations, the feasibility in purely economic terms of commercialisation being a viable and an adequate substitute. At the end of the day, will the British Government be prepared to foot the bill in respect of anything else that may be required? If the British Government is not prepared to do that, does that mean, therefore, that nothing is going to be put in the place of the Dockyard? Because if nothing is put to take the place of the Dockyard and provide or give reasonable prospects of providing the present levels of income and employment then, in my view, there will be in Gibraltar a political and constitutional crisis. It is against that background that I personally feel that no final decision has been taken because the price that may have to be paid by the British Government in financial, in political and constitutional terms may be too high a price to pay. I am not prepared, the Chief Minister has said it, and I personally am not prepared to hold office in Gibraltar in a situation in which there are 1,000 people out of work in the streets. If that is what the British Government is prepared to put up with then they will have to govern from Whitehall and bear the consequences of that. Therefore, unless there is something which the majority of reasonable people in Gibraltar would feel can offer reasonable prospects of maintaining our standards of living in Gibraltar, quite apart from ideological considerations about the size of the public sector and so forth, unless there is that, I think there will be general agreement in Gibraltar that we will fight the United Kingdom Government in the political field if we have to in the knowledge that the likelihood is that we may lose the battle but, as honourable people, that may be the only choice. To that extent I feel that no final decision has been taken and I am only prepared to consider the matter of commercialisation if those basic pre-requisites and

requirements are met. If they are not then let somebody else carry the can. In the same way I am becoming very frustrated with, as I said, on the question of economic development and having regard to the kind of person that I am and to my training, if one could put it that way, in nine years in the Department of Labour and Social Security where you could set yourself, particularly in the field of Social Security, you could set yourself objectives and meet them year after year, after year, it goes against the grain for me to be in a position when I am not able to do anything and that is becoming intolerable. If development aid is not forthcoming, I personally feel that as Minister for Economic Development I am redundant. Let my own personal position, I hope, be clearly understood. Turning to the Hon Leader of the Opposition, I think, Mr Speaker, from 1973 to 1982, that is ten budgets, I think that I have been present here in the House on the Government side, and I have never known a Leader of the Opposition to make such a short contribution on the Finance Bill as we have seen this morning. He paid lip service to the concept that the increases are severe. Of course, he had to describe them as severe but by no stretch of the imagination can they be described as severe if in the wake of parity we had increases in rent of 100%, increases in the price of electricity of 50%, and similarly with water. The money came in two years later, the effect of parity was not seen until 1980, the benefit of it. But, of course, a Leader of the Opposition has to use these phrases. He then went on to say that he was not entirely surprised that, in fact, the Government had only gone as far as it had in the Finance Bill because the situation is healthy, he said. Of course he is surprised that we only went that far and the cat was let out of the bag by Hon Members opposite when an indication was given by him, I think it was, some remark made in an aside, that they expected the Government to come up with severe measures of taxation this year to prepare the ground for a popular budget next year.

MR SPEAKER:

It was not an aside. I think the Hon and Learned Leader of the Opposition made it quite clear in his contribution to the Appropriation Bill.

HON A J CANEPA:

I am grateful, Mr Speaker. The Hon Leader of the Opposition being the political animal that he is, of course that is the way that he was thinking. But then this morning he chose to qualify that. Really, the situation is not unhealthy but it is imponderables, the unknown, which must naturally make the Government cautious. If, on the one hand, he feels that if the level of inflation is only 9% or 10% then a 20% increase is not justified, and I think he said that, then it follows that if you have not had an increase for two years and the level of inflation has been 9% or 10% for each of those two years, then a 20% increase is justified if only to keep up with inflation. But, ah, he would say, there should not be

any increase at all because the enterprise is inefficient, it is not being run efficiently. I do not know, again, I share the view of the Hon Mr Bossano, whether we can arrive at a proper assessment of whether these undertakings are being run efficiently or not in commercial terms. I am not sure that we can but the logical consequence of that argument should be that the Government should investigate major sectors in the private sector to ensure whether they are being efficiently run because not the whole of the private sector is being efficiently run and I will not single any areas but they are well known. And the consequences of that may well be that the consumer is also having to pay more either in the prices that we pay for the goods that are sold in the shops or in the provision of services by the private sector we may also be having to pay more. So what should the Government do, intervene and investigate the matter? That surely cannot be, efficiency cannot be the sole justification as to whether charges are justified or not. The fact is, whatever the reason, that the new power station is a small matter of £7m, and it has got to be paid for over a period of time. It has to be paid for over a period of time and it has to be paid for primarily by the consumers. And having regard to the fact that there was no increase last year because the new power station, and we spelt it out, was not coming on stream, now, in the current financial year, when it will be coming on stream it is perfectly justified, I think, that we should have a moderate increase in the tariffs. My Hon Friend the Minister for Public Works, of course, refuted the argument that potable water service was not being run efficiently. The extent of water losses have been cut down dramatically in the last two or three years and, in fact, the manner in which the potable water service is run has been the subject of considerable praise from City Councillors and Chairmen of major City Councils in the United Kingdom. On the question of rents, the Hon Leader of the Opposition made reference to the rent freeze of the private sector. I do not want you to pull me up, Mr Speaker, for pre-judging the work of the Select Committee. My understanding is that work of the Select Committee is not to do with rents only. They are looking at the Landlord and Tenant Ordinance widely, broadly, and this is a matter that may take time but the problem that the Government has had in its rent policy over the years, quite apart from the annual deficit, is that there is a serious danger of an imbalance in the level of rents as between the newer estates and the older estates. And so, you get a situation that at Laguna Estate and at Moorish Castle Estate for a three or a four roomed flat the rent is £8 or £10 a week whereas for a bedsitter in Rosia Dale the rent is also £8 or £8.50 a week. And in Tank Ramp, the most recently allocated modernised-cum-new accommodation, people are paying as much as £9.50 a week for a bedsitter. I think that it is inequitable to have people living in four rooms in perfectly good flats in Laguna Estate and in the Moorish Castle Estate and paying £10 a week rent and people paying the same for a bedsitter. That is not equitable and the Government has got to take some steps to restore the situation and that it does by allowing a rent freeze in respect of the newer estates, such as Rosia Dale which has not suffered any increase since the Estate was

allocated and, likewise, for Tank Ramp, and increasing the rents in other estates and bringing them to a more realistic level otherwise a taxpayer who may himself be living in other Government accommodation where he is paying a reasonably high rent, is having to subsidise the lucky people who live in perfectly good accommodation in these estates where flats were provided for £1,500 or £2,000 fifteen or sixteen years ago. That, I think, is the rationale and that is the reason why the Government has to take the measures that it does. And the three taken together, electricity, water and rent, what they do is to produce income for the Government that makes it possible to avoid a deficit budget because I think it would be very detrimental to our efforts to raise money, to borrow money, to have a deficit budget. Confidence, I think, in the soundness of our economic position, could be seriously impaired and we might find difficulty in raising the money that we need if we are to keep up a reasonable capital development programme going. Finally, Mr Speaker, I would agree with the Hon Leader of the Opposition that the economy is sound now, that it is healthy, and I for one would be delighted if the frontier were to remain closed, and I say that looking at the matter in purely economic terms, because I believe politically and personally that the frontier should open because we cannot be for ten or twelve years saying that it should and now change our minds, with all the consequences that that may have, but looking at it purely in economic terms, I would be delighted if the frontier were to remain closed, if the Dockyard were to remain open and if we could continue to secure from Her Majesty's Government the same level of Development Aid as we have had since 1969. If that were to be the case, I think the Government would have very few difficulties in future budgets, year after year after year, and the incidence of popular budgets would be on the increase. But until you have such a situation, unless these requirements were to be met, we are at a cross-roads and when you are at a cross-roads, you cannot venture further into the unknown and this is the rationale behind the question of consolidation referred to by the Chief Minister and faced, as I say, with the need to avoid a deficit budget, we have taken the measures that we have thinking that they would be of the greatest general economic benefit for the community, that they would disrupt less the private sector, and thinking that in the present circumstances this is the fairest way of raising the amount of money that we have to raise.

HON A J HAYNES:

Mr Speaker, I am grateful to the Minister for Economic Development for his confession, I do not know if it was intentional or otherwise, and I take it as such before examining the budget, the statement of the Hon Member to the effect that if the frontier were to remain closed and the Dockyard were to remain open and ODA were to be as before, then we would have popular budgets. It is interesting to note, Mr Speaker, that we had this situation for ten or twelve years and this Government produced very

little as a result especially in the field of housing and I will say this is a confession in that it is tantamount to an admission of their failure even when times were good. If I may address myself to the measures introduced in this budget, the matter of primary concern is, of course, the increase in the funded services. The funded services are becoming a millstone round the neck of the people of Gibraltar and I believe that this is partly to do with the fact that Government would rather offer what they would describe as a minor increase of, say, £4.50 per month for the average family, than face the problems and sort out the departments concerned. There have been some questions put by the Hon Member, Mr Bossano, and by the Minister for Economic Development, as to whether or not departments, in particular the Electricity Department, can be described as inefficient. I will later on state why we believe on this side of the House that they are proven to be inefficient and I can only emphasise that having said that, we cannot accept measures which in effect are once more taking the easy way out. Rather than face the problems, rather than restore efficiency, they just up the price. In examining the efficiency or lack of it of the funded services and in particular the Electricity Department, Mr Speaker, if one considers just the recent past history, one can say that the argument is more than clearly justified that it is inefficient, not just because we have probably the most expensive electricity in the world, and not just because this Government failed to implement the report of Preece, Cardew and Rider which has now been outstanding for six years, not just because they had to bring three mounted electricity generators and then an additional mounted generator, not just because of the slippage in the construction of the new electricity plant which was not done in line with Preece, Cardew and Rider, which was not done in line with the Chief Minister's statement. But even if one were to ignore all these factors which we are forever stressing on this side of the House, there is the one outstanding feature that there has not been a continuous electricity supply for the last two or three years. Mr Speaker, that is in contrast with the previous history that Gibraltar had in respect of its electrical services. There has never been a period in Gibraltar's history where the supply has been more affected than in recent years. That, I think, is clear proof that this Government's funded services are inefficient. I am not sure if the inefficiency is solely the product of the Government Ministers or whether it has also to do with the Department. I suspect that if the Minister is inefficient this should be able to go all the way down. In the light of this fact, Mr Speaker, I would submit that it is an insult to be asked for more money for these departments at the moment. And when I refer to page 6 of the Chief Minister's statement, paragraph 9, where he says: "We have taken steps towards our declared objective of self efficiency in the funded services. I have made the point in this House on a number of occasions in the past that there is, in principle, no difference between a consumer paying for commodities such as water, electricity or housing and in the purchase of other essential commodities such as food or

clothing". We cannot expect people, Mr Speaker, to willingly and gladly go buy the most expensive clothes and the most expensive food at the most exorbitant of prices. We accept that there are basic needs such as housing, electricity and water but if these are at Christian Dior prices, we must object on this side of the House. Because this budget has the funded services as its single revenue raising measure, we see it as a budget which is tantamount a vote of confidence in the funded services and unfortunately we do not share the confidence expressed by this Government. If one looks at the rest of the budget, Mr Speaker, there are two other things which strike one as being of interest. One is Government's avowed intention to help families who have little immediate prospects of finding suitable accommodation by regeneration of our older properties by communal participation. This is, in fact, in keeping with earlier measures introduced by the Minister for Economic Development. The success of this scheme has not yet been proven but it does have our support except, Mr Speaker, I do not think it goes far enough and I do not think that it will ever settle the problems fully. Also, Mr Speaker, we are still not clear as to exactly how the scheme works and we are not confident, therefore, whether, in fact, most of these are being helped and as I said, Mr Speaker, we applaud Government's intention in this respect but we cannot accept a budget in which housing as has been said for the last two years, is of paramount importance and yet in which housing is given such little hope for 1982/83. On housing, we on this side of the House, reiterate the need for a restructuring of the department and a return to larger scale development and a running down of modernisation and we do not see this in the budget. Lastly, Mr Speaker, I would say this is a budget which is significant in that it is a budget without hope. There are no open windows or open doors in the statement of the Chief Minister, it is all gloom and despondency. Another terrible thing about it, Mr Speaker, is that there is an element also of self-pity, self-pity in a Government that says: "How unlucky we've been that the world has gone against us just when we had it all sorted out". The world events that they have outlined which we cannot fault them in their analysis are obviously the Defence Review, the uncertainties of Lisbon, the constipation of the ODA, world recession. We all know that these are difficult times but this is not the way to face the problems, it is not the time to wail and moan, Mr Speaker, nor to make the kind of threat that the Minister for Economic Development has made that he will not hold office if things get too bad. And all these gestures of futile aggression that he would do this and he would do that, we want to see some fighting talk which is not that of despondency, Mr Speaker. I am not prone to blow my own trumpet but if Government were to follow some of the lead offered by the Opposition in relation to this problem, I would note that we have also been affected by these problems, it is not just Government alone that suffers the Defence Review, etc, etc, and what have we done, Mr Speaker? We have offered our help and we have given our help to Government, unsolicited and

immediate, and we have had no thanks for this, Mr Speaker, and this has been a tremendous sacrifice for us. We have a number of issues on which we would like to point out Government's mistakes or hit them over the head or whatever and we have had to temper this with the genuine need to prop up this Government in its times of difficulty. And have we had any recognition or thanks for our efforts in relation to the Nationality Act?

MR SPEAKER:

With due respect to the Hon Member, let us not expand. Let us talk about the Finance Bill.

HON A J HAYNES:

Mr Speaker, I would like to reiterate that this Opposition, in relation to the problems that face us, has not acted like Her Majesty's Government's Opposition in the crisis of the Falklands. How much more difficult would the economic problems of this Government be if in their analysis of the world situation they did not have an Opposition that was there to help and support them, that were there to put Gibraltar first? But our support, Mr Speaker, will only continue for as long as we have some confidence that this Government has the ability and the will to fight. Mr Speaker, we do not think that stagnation and hibernation are the same as prudence and caution and this Government is not moving. There is no dynamism, there is no reason even in a recession; why there should be no activity in Government. We would like to see some efforts being made rather than just throwing up their hands and saying that ODA is not forthcoming. If Government are having difficulties with the ODA talks perhaps they should send a delegation to London again, an all-party delegation, to see politicians. The longer they leave it the worse it will be for the development programme and, Mr Speaker, it is not just their reaction to ODA it is in their reaction to all things that we would like to see some activity from this Government.

HON DR R G VALARINO:

Mr Speaker, Sir, first of all I would like to start off in reply to the Hon Member, Mr Isola. I would like to reassure him that the Department, as far as telephones are concerned, gives priority to telex, business and other telephone lines which need urgent repair. In fact, at times, faults are repaired almost immediately but should there be a cable fault, it depends on the number of cable faults present at the time and the number of jointers available and moreover, it also depends on the actual nature of the fault. The Department, as has been shown progressively over the past three years and, in fact, this will be the fourth year, has progressed extensively through the cable replacement programme. Mr Speaker, Sir, I also did intend at this stage, as previously mentioned by me, to describe the system of

charging for both local and international calls. However, certain views, especially during the debate on the Appropriation Bill, have been expressed from the other side of the House, and Government will take another look at the situation. I undertake to make a statement at the next meeting of the House and prior to the publication of any appropriate regulations. In this manner the House will have the opportunity to debate the issue. Mr Speaker, Sir, moving on to the Generating Station and electricity as a whole. With regard to the Electricity Department, let me stress that the electricity tariffs were last revised in May 1980, a full two years ago, by an average of 15% and last year's total deficit was thus paid out of the Consolidated Fund. At present, as you know, and as the Opposition knows, an inquiry is taking place into the Generating Station and though there is concern on the part of the Hon Member about the efficiency of the Department, I feel we should await the results of this inquiry, done without the help of the DPBG, before jumping to conclusions. Government has also decided, Sir, not to alter the SPA formula which produces a surcharge at present of 1.82p per unit and could have been incorporated into the basic tariff rates in the belief and hope that fuel prices will fall and that benefits accruing from this will, by the very nature of the formula, be creditable to the consumer within a short time. There being no change in the SPA so as to produce the revenue required there will be an increase over all of 14.2% in a domestic consumer using 300 units per month, which is a good average figure. In order to obtain this figure, it has been necessary to increase by a rationalised 20% all tariffs in the schedule. At present, 300 units per month cost £20.06 and with the proposed increase the similar 300 units per month will be £22.92, less than 9p extra per day. Consider that to the 3p increase in cigarettes at source as from today. Finally, Sir, though much has been said of the funded services, I must remind the Opposition that large capital expenditure has been necessary in the development, both of the Electricity and Telephone Departments, in order to improve these services for the benefit of Gibraltar and so as to develop Gibraltar and to make it a centre for commerce, banking and tourism. This capital expenditure, funded locally and without the help of the British Government, will mean that deficits can be expected but these will be compensated by increased revenue and strict control of expenditure thus, in the long term, attracting businesses and tourists and hence improving the whole economy of the Rock.

HON MAJOR R J PELIZA:

Mr Speaker, it does not seem that we can ever please the Government. If my Hon Friend the Leader of the Opposition tries to infuse any enthusiasm into the Government by being more forceful in his approach, by being more critical of Government action, he is criticised for acting irresponsibly. If, on the other hand, my Hon Friend here tries to be as kind and as gentle with the Government, he is immediately accused of having had other faults before, of having changed his mind and having nothing to say about the budget. So we

can never win, Mr Speaker, this is the position. One thing about me. I am frank and I intend to do the same thing on this occasion and if need be, Mr Speaker, I shall dig my teeth into the Government because I think they deserve it at times, not with any ill intention but with the hope that they will act, and sometimes they do react, this is why I call it delayed action Government, Mr Speaker, because it takes time, sometimes twelve months, for the reaction to come about. In fact, it is in this budget we have seen some of that reaction, of action that should have been taken previously and also we see lack of action that no doubt, if we press hard enough this time, they might take action next year. But it is always too little, too late and no matter how hard we try we cannot get them to move a little faster. There is no doubt, and I entirely agree with my Hon Friend, Andrew Haynes, that the Minister for Economic Development on whose shoulders very much rests the future prosperity of Gibraltar, sounded frustrated and hopeless and even thinking of resigning if need be. Certainly not very encouraging to put it mildly. I am very sorry for this because I know that he works like a Trojan, he has got tremendous energy and also he is very effective but, unfortunately, he lacks one very important quality and that is vision. This is why, Mr Speaker, he seems to lack that quality, vision, and it seems to me that there are few, or none within the Government who can provide him with that vision. The best we can do is try and provide him with that vision from this side of the House. As I was pointing out, Mr Speaker, a few things that we have taken up that we have been saying for a long time. It is a very hard nut to crack. I am so sorry because I know that once he gets down to do something he does it thoroughly, he does it well and he does get the applause from this side of the House. What I am going to try and do to infuse some enthusiasm in him, to tell him that all is not lost by any means and that we must not wait for events to overtake us. We must be in command of our destiny and not allow events to decide which way we are going to go. It is wonderful to see how decisive he is about our utility undertakings, how he says by hook or by crook we must be independent on this regardless of what may happen anywhere else, regardless of world events, we are determined to be self-sufficient with regard to our utility services, water, electricity. I fully support that, 200%, Mr Speaker. And if he only showed the same determination with other matters we would be getting somewhere because as I explained to him before, it is no use saying we are going to preserve the independence of our services if at the same time we have not got the resources, the wealth to make it work. Both go hand in hand, our economy and the independence of our services go together. We must find ways of paying for that. One problem that we are faced with is the economy of scales, of course we are, we are a tiny community and because we are a tiny community we must see ourselves as we are and when we think of development we must realise the kind of developer and the kind of thing that we can do. I know, as a businessman, Mr Speaker, if you go to a conference in England about business management, they tell you there all the things that you have to do.

And if you try to apply that to Gibraltar you would be in bankruptcy within 24 hours, Mr Speaker, because we are in a different scale and therefore it is not good to think of rigid town plans and sticking to them because we know perfectly well that tomorrow we may have to change it because the only thing that we are going to get to be able to exist are the little things that are coming our way and we cannot say no, we won't have it, because we are looking for a sky-scraper. Well, the sky-scraper is never going to come, Mr Speaker, if we work that way. We must take into account, therefore, in any planning, whether economic, town planning or whatever the nature, we must take account of our fundamental situation which is that we are a small community. I imagine that small is beautiful, I do not think that small is ugly and I think that we can make small beautiful.

MR SPEAKER:

Yes, but I think we must come down to the Finance Bill.

HON MAJOR R J PELIZA:

Yes, I am coming to that. If, as the Minister say, we do not know what to do because we do not know when the frontier is going to open and therefore we do very little until we know when the frontier is going to open, and it seems as if they are playing cat and mouse with that at the moment.

HON CHIEF MINISTER:

I think the Member should give us credit that that is a complete misrepresentation of what has been said by me and by my Hon Friend. What we have said is that this is an imponderable. We know it is, we have seen it through after two years and the recent events and the present events, and it is a factor which is in doubt. I think that everybody must know that and everybody must recognise that different considerations will apply whether something happens or does not happen in that respect.

HON MAJOR R J PELIZA:

Mr Speaker, not only are we in doubt whether it is going to open or not going to open but we are even in doubt as to whether it is going to stay open once it opens or for how long it is going to remain open. Therefore, Mr Speaker, we have got to think of what we have regardless of whatever may happen at the frontier.

HON A J CANEPA:

If the Hon Member will give way. That is all very well but if the British Government tells you that you cannot have development aid until certain things emerge, until certain things are clear, and if prospective developers are holding

back and do not invest their money until they know whether the frontier is going to open or not, there is very little that you can do to control those events.

HON MAJOR R J PELIZA:

Of course, that is why I say, Mr Speaker, that we cannot look for that kind of developer, we have to use our own resources and make the best of it, look around and see what we can do and get down to that. Let us do what we can today and you will be surprised once something begins to happen how it develops into something and people then become enthusiastic about it, but what we cannot do is wait for events to happen, we must start the events ourselves and this, regardless of whether the frontier is open, is closed or whether it is going to remain open, or whether it is going to remain closed. Whatever may come from an open frontier is a bonus which, of course, we must make the best of but as I agree with the Minister that we must always remain self-sufficient in every aspect then we must think on those lines. If we think on those lines first we know where we are going and we must move in that direction. This is why, Mr Speaker, I was critical, and I still am critical, of the policy or what I call no-policy of the Government, with regard to tourism.

MR SPEAKER:

No, I am afraid I am not going to allow you to touch on tourism. We are dealing with certain specific measures in the Finance Bill and that is what we are talking about. I have been liberal but we must not bring in every single factor. We are talking about measures which the Government wishes to introduce and those are the ones that you should criticise.

HON MAJOR R J PELIZA:

If we want to have money there are two ways of getting it, Mr Speaker, one is expansion, the other one is taxation. If we do not get the expansion, this is a matter of raising money for Gibraltar, this is why I have got to bring it in, Mr Speaker, it is part of the Finance Bill. If what we are going to do here is just a bookkeeping exercise then, of course, we just look for what money you are bringing in and what money you are taking out but as my Hon Friend here on my left so rightly said, that is not the purpose of this Finance Bill. The purpose of a Finance Bill, Mr Speaker, is precisely to see if there is a way of producing more wealth for the community and therefore from there obtaining more wealth for the well-being of the people within the community. This is why I agree that the Minister for Economic Development is so important, that is why he addressed himself to that and this is why my Hon Friend addressed himself to the Dockyard about which I would like to say a word because all those factors have a tremendous bearing on the finances of Gibraltar. I cannot allow unanswered some of the things my

Hon Friend Mr Bossano said but I would just like to first of all to try and address myself to the Minister for Economic Development who has a key position in Gibraltar now, perhaps never before so important as now. He said that he expects Her Majesty's Government to give us aid. We all hope that they do. I think we are entitled to under the support and sustain pledges that have been given to us. But I think we must be realistic as well and accept what the Hon Financial Secretary said, that one of the things they look at is at the income of Gibraltar. There is no getting away from that and I do not think we shall ever get away from that because they are going to do their sums, they are going to try and compare what the income of the average person in Gibraltar is and what the income of the average person in the United Kingdom is and that is a factor that they are going to bear in mind whether we like it or not and that is a matter that we have to take into account. It is not a question of whether you buy a villa in Spain or not. I do not think they could care less about that. The chap who is going to work it out will ask what is the amount coming in and here we have it, Mr Speaker, it has been given to us in the very good statistical figures provided to us where it is written down and it states the amount. I think that the Minister for Economic Development must bear that in mind and therefore, that is something that he has got to take into account. We should not be moving without any direction, we should see where we are going, and because of that a certain amount of realism is now coming in with regard to housing. Housing, obviously, is one of the most important things that we need in Gibraltar for our own well-being and also, I think, Mr Speaker, because if the frontier opens and we do not provide the kind of accommodation that people are hopeful of getting, and it is available on the other side of the frontier, slowly, but surely, we shall be losing quite a number of our citizens who, because they cannot find any accommodation in Gibraltar, will start moving away. And that is as important for us to keep in Gibraltar as it is to keep our services going. It is a tremendous problem and I agree entirely, that it is a problem that has to be tackled by every possible means and if there is any need to come to the Opposition for assistance the Government should not hesitate either on this or in any other matter. I think my Hon Friend on the extreme right said so. Government is there to govern, the Opposition is here to oppose and try and bring to light things which are not going well, but we are also here to assist if that is required. If the Government feels that there is anything the Opposition can do I am sure that they will get our support, on development as well as on political issues. Any differences that may exist here may be differences of approach, of emphasis, but certainly not of the overall aim which is to keep Gibraltar Gibraltarian-British, and that is very, very important in the heart, I think, of every Member of this House. Because of that, we come to the very serious problem, the most serious problem that Gibraltar has ever faced, there is no doubt in my mind. The closure of the frontier could be overcome, and that was done, you might say, by our enemies. The closure of the

Dockyard is going to be very, very difficult to overcome and that, unfortunately, is being done by our friends. We all know the reasons for it. We all know that there is a difference in defence policy and we all know that whether we like it or not we live in this world and we cannot hope to be put in cotton wool and stay there. The difficulties are there and we must fight by every possible means to see that that which is fundamental to our economy remains, if not as it is today in a way that we can get the best possible from the situation. I understand that the trade union movement of Gibraltar is prepared to bend backwards to find a way of keeping the place going. I, certainly, and I am sure the Government and I am sure the Opposition will give full support to any suggestions from the trade union movement which would help to keep it going. I think it is very good of them to come forward with constructive suggestions of that nature. It also would make our case extremely strong in the United Kingdom, Mr Speaker, and I hope that the Government takes very seriously whatever the trade union movement has got to say in that respect and that they can join forces with the trade union movement and the Opposition and all the other representative bodies in trying to put the necessary pressure in that respect, and persuasion, I think too. We know from past experience that we have lots and lots of friends in both Houses of Parliament. If they know what is happening we shall have support, I have no doubt in my mind, but particularly if they see that we are being reasonable, that we are not wanting to have a bigger slice of the cake that they themselves are having in England because that is not the idea at all, that all they are trying to do is to keep intact the right of self determination of the people of Gibraltar for which now they are shedding blood in the Falklands and here it would cost much less than that to preserve. That message has got to be put across with eloquence and conviction. Having said that, I think that we have a responsibility, overall, for our community and at the end of the day, whatever happens, we have to use our best judgement to produce the best of whatever difficult situation may be presented to us. The alternative is, as has been suggested, that we should find some other viable economic resources, development, and I think that regardless of whatever happens to the Dockyard we should do that because diversification is a good thing in any economy, not just in Gibraltar, in any economy, because of the ups and downs. But the other suggestion is, and this is where I disagree with my Hon Friend on the left, is almost to commit suicide and with that I cannot agree and I do not think that the Government can agree and I doubt whether any sensible person can agree with that. I cannot see that if the British Government makes a definite and final decision, after whatever measures we may have taken, whatever efforts we may have made, if they then at the end of the day say no, well, quite honestly, Mr Speaker, there is only one thing left for us, it is either to commit mass suicide by jumping over Europa Point into the Straits, or try and make the best of the situation. I am for trying to make the

best of the situation. I think that most of the people in Gibraltar must be thinking on those lines. In that respect, and I mentioned it before, and I did not agree with the answers that I received from the Hon Financial Secretary, I think it is vital that we should publish the report.

MR SPEAKER:

With due respect, we are not going to discuss the problem of how to solve the closure of the Dockyard. We can discuss the economic effects insofar as it affects the Finance Bill.

HON MAJOR R J PELIZA:

If part of that report, Mr Speaker, was published it would be a tremendous help in my view to get support in the right places for Gibraltar. We must therefore have a policy. The Port, Tourism and the Yacht Marina are three economic activities in Gibraltar which can be exploited and nowhere do I see on the part of the Minister for Economic Development any enthusiasm for that.

MR SPEAKER:

With due respect to the Hon Member, that is a matter that we have been dealing with in the Appropriation Bill, these are questions of expenditure, not a question of finance and that is what we are dealing with now.

HON MAJOR R J PELIZA:

Yes, Mr Speaker, but the Chief Minister referred at least to tourism and I have referred to the others before so I will not labour the point of the others. But I think on tourism I should be allowed to comment on what the Chief Minister said.

MR SPEAKER:

Will you quote, please?

HON MAJOR R J PELIZA:

Mr Speaker, the Chief Minister in his statement refers, particularly to me. I quote: "I would like to highlight certain aspects of the proposed changes in the funded services. The Hon and Gallant Major Peliza made much in the second reading of the Appropriation Bill of the Government failure to increase its expenditure commitment to the tourist industry analysing it rather naively by saying that the extent of the increase was of the order of £21,000 a year. The Hon Member fails to recognise that last year the Government introduced a subsidy of water for the hotels amounting to £50,000. He will observe from the

estimates that this amount was not taken up for the simple reason that hotels did not pay their current bills on due dates. Once again, the Government is prepared to subsidise the tourist industry". What I am trying to say, Mr Speaker, and this is why I was trying to make the point of tourism, is that it is precisely because tourism has not been developed as it should have been that they are suffering seriously now to the extent that they cannot pay their bills. I know that if some of those were forced to pay the bills they would probably have to close down certainly for some months of the year. This is why I tried to explain the importance of development, of keeping the economy going, because it is from there that we get our money and if we do not, if we allow an industry like tourism to go the way it is going, not only is it costing us money now but it won't be even bringing in the £11m that it is supposed to be bringing into the economy. I think that if there is any naivety about this, Mr Speaker, it is really on the part of the Chief Minister who does not realise how important it is to put more into tourism, Mr Speaker, because otherwise the subsidy will carry on increasing and that is certainly not my idea of competitive business in an open market. I am not a believer that we should try and keep a lame duck afloat, far from it, I believe that in our economy there should be sufficient competition to enable those who are efficient and can give the right kind of service and can attract the income that Gibraltar requires to survive and in that respect we are not doing enough. And in the same way as they are subsidising the hotels, they could put money in other aspects which would enable more tourists to come to Gibraltar and one of the things that I say straight away is air communications. I think the Minister for Tourism will agree with me that the biggest difficulty we are finding here is that we have not got the air capacity to bring the tourists in. I am going to go on for about another half an hour, Mr Speaker.

MR SPEAKER:

Then we had better recess for lunch until 3.15 pm.

The House recessed at 1.10 pm.

The House resumed at 3.20 pm.

HON MAJOR R J PELIZA:

Mr Speaker, I have no doubt that by the look in the faces of some of the Members, when I said that I would go on for another half an hour I am sure some of them would like to see the guillotine introduced into this House and I know which of the heads they would like to see fall first. Coming back to the nitty gritty of the financial statements of both the Financial Secretary and the Chief Minister, first of all I think it vindicates the stand that the Opposition put last year. On the question of the Consolidated Fund I think you will recall that I certainly argued very strongly that it

would be in the interest of the economy to allow more money to float freely because that would generate the activity that would keep the economy going until something better was known as to our future and this, I think, would have made the Minister for Economic Development less pessimistic about the whole thing. I said that there was more money coming in from income tax, I think I over-estimated the amount by a few hundred thousands pounds, only a few, I cannot remember the exact figure but obviously it is in Hansard but it certainly got up to the mark of the £1m plus that in the end we did get. That money that has found its way into the surplus could have been going round helping the economy, generally. I know that at the same time there was a drop in the import duty which I suppose we never thought would happen but I think we must give some credit to the views expressed by my Hon Friend the Leader of the Opposition when he said that that would come in, it was only that people were holding back because they were under the impression, quite rightly, that because of the opening of the frontier there was going to be a drop in the import duty and therefore they were holding their horses, as you might say. But they have got to bring it in if they want to carry on business and no doubt some of them may now be waiting for the 25th of June, maybe, in any case if the sales are higher than they expected they will have to start bringing some of the stuff in and we shall start reaping the benefit of that so that money has not been lost and you might say it is in reserve in any case. The Financial Secretary is moving his head saying, no, no doubt he has an argument and we shall listen to it later. However, I am sure he will accept because in his statement he admits the argument I used, the argument on direct taxation is valid because he used it in his statement today and he also accepts that the burden of taxation was heavy because he said in his statement as well. In paragraph 4 he says: "The burden is already high. With a single figure pay increases in 1981/82 disposal figures will begin to be squeezed". And then finally it says: "It would also be counter productive to increase income tax and create a distinctive effect on employment at a time when it is important to stimulate job opportunity through economic diversification". With that I totally agree and he probably did agree with me last year but perhaps he was inhibited by the overcautiousness of the Government which does not seem to have the courage of its own convictions on whatever scheme they want to do. In this case we have seen a delay of one year. The boldness is not there. The robustness is not there and unless the Government from now onwards adopts more definitive action and use the reserves for what they are there, in case things go wrong, and not there just for the sake of having them there where they are non-productive as we know, except perhaps the little income that comes from investments but certainly not as much as actually directly invested. If we think that we might as well put all our money in investments then let us take away all the money and live on the interest of the income that we all have. That is not obviously the object, the object of the reserve is not to earn money, the object of the reserve is to use it when it is necessary and I say it was necessary

to use it last time and it is a pity that it was not done but, anyway, that is water under the bridge now. I am going to give a lot of credit to the Government for a number of things they are doing, late, but they are doing. I am not talking about home ownership. I am pleased to see that they are encouraging investing money in the building of houses in Gibraltar either directly, by taking a mortgage where I understand the interest paid on a mortgage is tax free and that is there already, that is tremendous encouragement. I do not think people have fully realised that yet. The other one is by bringing this £200 tax free on deposits in building societies. But is it not possible to increase the amount? I know that the tax free debentures the Chief Minister spoke about is also a very good idea and I am very glad that they are doing it that way because money will come to Gibraltar and not only will it come to Gibraltar it will obviously be invested on something to do with Gibraltar. However, I do not know why this amount cannot be increased, no doubt there must be a reason why that figure was arrived at and I would like to hear what the Financial Secretary and the Chief Minister have to say about the objection to increasing the amount. I would also like to know how this operates, what the withdrawal limits are, can it be done like a bank where you put it in and bring it out on a week's notice or how is it, because that is also very important. The people who are now putting money into the Savings Bank may decide in some instances that it is better to put it there depending on how much income tax they pay because it is probably going to be much better to put it there than in the Post Office Savings Bank. A lot will depend on how this is likely to operate and I wonder whether the Financial Secretary would be able to explain how such a deposit account would operate. The success, in my view, of that operation will hinge considerably on how people can operate their accounts. The other thing that I would like to encourage the Government to proceed at full speed is converting Gibraltar into a financial centre. A lot of credit must be given for the work in bringing banks of great repute and little things which may not amount to a lot of money like not putting any duty on the monitoring equipment. I do not know how much monitoring equipment costs and it may not represent all that much to a big bank but it shows the goodwill and I think that goodwill, particularly with small communities, carries a lot of weight, people appreciate that and I think they put a lot of personal interest in this and I congratulate the Government on that. It is also good to see that perhaps through experience it has come to the notice of the Government that over-taxation is sometimes counter productive and that is reflected by the way in which they have reduced the betting games duty. I think perhaps the gaming duty is not so important as a direct income for Gibraltar but certainly I think the precious metal business could develop into something because that I understand in many places can represent millions and millions of pounds and if we are going to have a financial centre this may well be a source of very good income for Gibraltar. Now, Mr Speaker, I come to the funded services and the first one I

would like to deal with because this is really the bone of contention in this Finance Bill, are the funded services. On the telephones, Mr Speaker, I am very pleased to hear the Minister say that he is going to reconsider the question of charges. Didn't he say that?

HON CHIEF MINISTER:

He said he was going to look into what had been said.

HON MAJOR R J PELIZA:

It seems one has to measure words very carefully. Mr Speaker, perhaps the Chief Minister can explain the difference.

HON CHIEF MINISTER:

Yes, because if they look at it and nothing happens they say you misled the House. What he said was that he would make a statement, that he would study the matter further and that he would take into account what somebody says on the other side.

HON MAJOR R J PELIZA:

I cannot understand the subtle difference. If the word used had been "considered" or "looked into" it means, and we cannot believe that he has made a decision just because he is going to consider it. The word "consider" is to "look into".

MR SPEAKER:

I think the Minister for Municipal Services said that in the light of what had been said in the House he was going to study the matter and then make a statement.

HON MAJOR R J PELIZA:

I will tell you what it means, Mr Speaker, that the Minister did not have a clue at all of what the consequences would be and that because we have brought it to his notice he has got to look into it which shows the ignorance of the Minister, Mr Speaker, as to how it affects the public of Gibraltar. Well, perhaps the Chief Minister does not agree with the suggestion of my Hon Friend that that was a matter of great importance to Gibraltar particularly the older people in Gibraltar, Mr Speaker, who are used to talking to each other on the phone, who have no other means of communication and unless we take those things into consideration they are going to find themselves in great isolation, Mr Speaker. That is what I think the Government never understood before and now it has been brought to their notice and they are going to look into it but they do not know whether they are going to consider it. That is how the Chief Minister has

put it. I am also very pleased to see that we are going to see new equipment, including this mickey mouse. It is going to be great fun to see the mickey mouse run, Mr Speaker. I can see my grandson wanting to have one of those little phones and I can see the bills are going to be pretty high. Anyway, I think it is a good idea. I am sure that if this were to be a private firm doing it it would be subjected to the Consumer Protection Unit to make a thorough investigation as to why £50 is to be charged for the connection of a telephone. I think that amount of money is outrageous for the connection of a telephone. If it had been a commercial concern it would have been accused of profiteering. I do not know how much it costs in England, I could not care less how much it costs in England, I know how much it is in Gibraltar and I am not comparing it to England. So, Mr Speaker, that is one of the things that come about through monopolies but precisely because they are monopolies, and in that I include all the other funded services, there must be very strict scrutiny as to how they operate and what their costs are. Mr Speaker, this is why I say £50, at first glance, is a very high cost to have a telephone connected. Let me say we are not getting away scot free with the telephone either, Mr Speaker, on the question of how much we are going to pay. Because we are going to pay later, we are not going to pay now, we are going to pay later when the metering starts and we will see whether we are not going to pay through our nose later. This is why we have brought it to the notice of the Minister, Mr Speaker, because it can become abusive and, obviously, I think no one in this House wants it to be abusive as they are not supposed to be money-making concerns. They are supposed to be giving a service and in many instances they should even be subsidised. But if it is going to be subsidised, particularly if they are going to be subsidised, then how the money is spent has got to be scrutinised very thoroughly. If we go into the question of water which is the next one, I am going to say to the Minister what I was told before, it is naive to compare the losses of water between Gibraltar and England because there is too much water in England, if I may say so, I know it from experience, water galore, so the water itself does not cost money. To look for the leakage of water costs much more money than the water itself. It is not the same here, it is the opposite. The value of the water here is much greater and therefore perhaps paying more attention to the losses of water would pay here what it does not pay there. What is obviously negligible in the United Kingdom in terms of money is a lot here. The fact is that there is no metering in England. You can use as much water as you like which confirms my point that the value of the water itself is insignificant. The actual pumping, the actual delivery, yes, but the water itself is of little importance unless you have a very dry summer which comes about once every 50 years and even then I think it only affects a few places. So, Mr Speaker, I say that the Opposition is quite right in putting up a stand in the same way as we are putting up a stand on rent and on electricity increases. May I now comfort the

Minister by congratulating him on his attempts, and I really mean it, in trying to find other sources of water and I hope he perseveres. I know the Minister is very interested in matters like this and I am sure that he is doing his best and I wish him every success. As to rents, I think it is discriminatory to tell the landlords of Gibraltar: "You cannot raise your rents, there is a moratorium, but we the Government, we can do what we like". I do not think that is fair at all and I am very glad to see that my Hon Friend on my left agrees with me that it would be wrong to go ahead with one without taking into consideration the other. I wonder how the landlords themselves feel because although there might be some who are not fair I think there are other landlords who are struggling with very great difficulties because of the cost of repairs and what have you to keep their accounts balanced. I do not think all the landlords are making tons of money and even if one looks at the figures that some of the landlords, and I am not holding any briefs and this is as we all know subject to the Select Committee, I hold no brief and I do not want to interfere with the discussions of the Select Committee, as I am afraid the Minister for Economic Development did in the previous session, I do not want to do that, but I would like to stress that in many instances although the rents may look high if we look at the cost of building today, at the market value of buildings, you may find that it may be in the interests of some landlords to sell and invest the money. It is not just a straightforward thing, Mr Speaker, and because it is not a straightforward thing and because even this House has thought it necessary that it should go to a Select Committee, it went to the extent of thinking that it was such a difficult matter that the Government by itself could not sort it out, that we should not be acting in the way that we are doing on rents. As to the Electricity Department, we move into very dark areas now, Mr Speaker. How can the Government expect us to accept any increase in the tariff when they have time and again refused to let us see the Preece, Cardew and Rider Report? I got it right that time. How can they, Mr Speaker, expect us to give them a blank cheque of that nature? We all know that the cost of a unit is related to the capital investment. How do we know that the blunders of the past of not buying the unit in time which caused the question of bringing out the skid generators, apart from all the other inconveniences that this has cost, that that has not contributed considerably to the price of units we are paying now. I say, Mr Speaker, that the Government did not have a clue at one time when we had a statement from the Minister saying here that there was no need for more generating equipment and then on that same session, when pressed by me on the adjournment, the Chief Minister said that the Government were bringing straight away a 5 kilowatt generator, just like that. Of course, he said they were going to have it going in so many months time and we are still waiting for it but it will come. Mr Speaker, how can he expect the Opposition if he has the responsibility to see that things are on the right way. And we are absolutely right in not giving our assent to something

that we do not know why it is taking place. This is the Opposition acting in a responsible manner to keep the Government on its toes, Mr Speaker, which is what we are supposed to do except that we go further than that as he has heard me before, because in the circumstances of Gibraltar we would be more than willing to help in any matter that we can. Mr Speaker, I am reaching the end of my speech. I could not expect anything but relief from the Government. If there was also a sigh of relief on my side it was a different kind of relief. I did not hear it, anyway. We come now to what I think, Mr Speaker, is the most important matter and I am afraid the Chief Minister may not like this. I think he has got enough political mileage to understand that it is an absolutely fair approach that I am trying to make. Mr Speaker, if one reads a little bit or hears a little bit about how much more people were going to pay over this extras in the potable water and electricity charges, you almost think that you are going to be better off than before and I invite anybody to read the statement. You almost think that you are going to be better off than before. No wonder he wins the elections, Mr Speaker. But, Mr Speaker, when you look at the figure within the limitations that we have because obviously we have not got all the information, we have not got all the other things that go with it but as the average person, using commonsense and a few other reports which I do not want to read because the Speaker will rule me out of order, if we come to the figures you will find that the extra that we are paying for the funded services is £972,000. That is the amount, whether we like it or not, that Gibraltar is paying. The 30,000 people of Gibraltar are paying that amount of money, there is no getting away from that. If we try and find out how many families there are in Gibraltar, again a difficult operation from my point of view but I have tried to get as much information as possible; we see that there are 7,644 dwellings and also, Mr Speaker, 231 in the waiting list and if my mathematics work it should be 7,875. But let us say for the sake of making it a round figure, that there are 9,000. If there are 9,000, Mr Speaker, it means that they are going to pay £100 more a year. That is about £2 a week. Because there is going to be no relief on the part of taxation we proposed, Mr Speaker, about two years ago, a personal allowance of £200. We see ahead, Mr Speaker, we have vision. It is a pity that my Hon Friend here on the left did not agree with us at the time. Now he wants indexation but now would be the worst possible time to ask for indexation, but I think we might have been able to get the £200 allowance then if he had been on our side as well, we might have been able to convince the Government. Anyway, the fact remains, Mr Speaker, that there is no relaxation on taxation. What we do know is that inflation is going to be, say, about 10% and let us say that pay is going to go up by 6% average, the difference is going to be 4%. So we are going to be 4% less. If that is not the case perhaps the Chief Minister can explain it later in the way that he always does and by the time we finish hearing him this evening, Mr Speaker, we are all going to be very happy, we are going to be better off notwithstanding we are getting

£900,000 out of the money in circulation for this. If we put the £200 and the other £100 mentioned before, Mr Speaker, the average family is going to finish up paying £300 more a year which I say is quite a bit of money. I certainly have not got the means of getting the actual figures, I can only go indirectly and to my manner of thinking this is it. If someone can tell me how it is possible to get £972,000 more into the funded services without touching in that respect the pocket of the individual, it is a miracle and he is the miracle maker. Unless you start printing notes, but even so the value will go down. I know that they are going to say: "But what about the commercial concerns, they are also paying". Yes, but the commercial concerns will pass what they are paying to the consumer. And if we are assuming that the consumer, because that has got to be assumed, are spending the £5,000, directly or indirectly they are paying for that money. So those who believe that because they are really squeezing the trader the consumer is not paying, they cannot do it, Mr Speaker, businesses cannot operate unless they get the proper margins and I can in fact refer to a very recent one. "Dirty Dicks", in England, is well known for the low prices that they sell their clothing. They have about five or six shops, I know my children go there to buy. This firm has gone bankrupt because they were not maintaining the margins that the business must necessarily have if they want to meet the costs. Let us not be under the illusion, and this is a terrible mistake, that if you go for the traders you are not hurting the consumers. That is a fallacy, a great fallacy. I hope that they do not see it that way. It might be useful politically because when you attack the traders the number of votes is excellent. When you attack the consumers, generally, it is X, Y, Z and many more letters of the alphabet but at the end of the day the consumer pays. You can pull over the wool over the eyes of the people if you are not careful. Our job is to see that whatever happens, people know what is happening. It would be stupid to suggest that with costs going up everywhere you can keep the price of this down. No, of course, you cannot. But for the reasons that we have explained we do not believe it is justified for the Opposition on the items that we have mentioned, for us to give the Government our support. It is the responsibility of the Opposition to realise that if there is inflation and the cost of things go up, money has got to be found, of course we know that but I think it is really more a vote of protest rather than a vote of disagreement that, you know, you have to face the consequences of prices going up all over the world all the time. Mr Speaker, before sitting down I think I personally would like to congratulate the Government, Financial Secretary and everybody concerned on the way the Estimates have been presented and the amount of time that they have given the Opposition to questions and, I think, the forthrightness of their answers. That, in my view, is true democracy whatever we may think.

HON A T LODDO:

Mr Speaker, I feel it would be presumptuous of me to pretend to stand up to defend the Hon and Learned Leader of the Opposition for the length of his contribution to the Finance Bill. The reason for this should be obvious to any thinking Member of this House. I notice, however, that no snide remarks at all were passed as to the quality of his intervention. It is not the first time, Mr Speaker, that I have been struck by the fact that if one does not get up and spout on indefinitely one is accused of brevity which apparently for politicians is an unpardonable sin but, surely, Mr Speaker, the matters for discussion must have a direct bearing on the amount of time one can spend speaking on them without being accused of either filibustering or of labouring a point. Perhaps it is, Mr Speaker, because although I have had two years of apprenticeship I am still not a fully fledged politician, I do not know. As far as I am concerned, Mr Speaker, for me this year's budget cracker has turned out to be a bit of damp squib. After building myself up, like I imagine most people of Gibraltar, to fear the worst and preparing myself for the worst, in fact, the Finance Bill has been a bit of an anti-climax. At first glance it looks as if it isn't so bad at all and at the end of the day what Mr Everybody, the ordinary man in the street, and let us face it, this is who we represent, the ordinary man in the street will ask himself: "What have I got to pay more now that I did not have to pay last year? Where have I been hit?" Well, Mr Speaker, he has been hit at the very basics. The telex, perhaps, might not hit the ordinary man in the street but, certainly water, electricity, telephone, rent and rates are as basic as anyone can go down to. On the rates, of course, we have been given a year's reprieve but retribution will come so, Mr Speaker, the budget although at first light appears to be a very modest budget, has in fact hit at basics and although I agree that if we want to be self-sufficient we must be prepared to pay for these things, I believe that we must be prepared to pay according to the service we get and if we want to be self-sufficient, for me, self-sufficiency does not end at electricity and water. On tourism we should be self-sufficient and one of the most important things in tourism is our hotel accommodation. The last thing we want to see in Gibraltar is a Spanish-financed hotel, and I am coming back again to my hobby horse - Parson's Lodge. Let us make the hotel we already have self-sufficient and self-financing and profitable and if we go to the services we get, I must admit that the water situation seems to have improved, not just the amount that has fallen, rain water, and the water we have imported, but the loss in water seems to have improved considerably for which we should all be grateful. Unfortunately we cannot say the same for electricity. It really is a shame that in 1982 we still have not got our new electricity Generating Station working, that we are still paying £11,500 a month for the hire of skid-mounted generators, and that we even had to import a trailer-mounted generator. We were told, Mr Speaker, that these tax measures would cost the average family about £2.25 per week. Well, Mr Speaker, unless the average man is a one parent family without

children who does not wash and does not cook I have yet to find out the average family who will not pay substantially more than £2.50 a week. Mr Speaker, in retrospect, I think everybody will agree that last year's budget was a budget of consolidation but I cannot find an adjective to describe this year's budget. I do not think, Mr Speaker, that there has been any need for the increases that have been introduced and I think that at the end of the year the Government will find that they have underestimated in what they will be deriving on income tax alone and that, in fact, had they not introduced these tax measures, the position at the end of next year will probably be exactly the same as it is this year without the need for introducing increases in telephones, telex, electricity, water, rents and rates.

HON W T SCOTT:

Mr Speaker, I think last year when the Government announced that the personal tax allowances were to be raised by I think it was £100, they also raised the tax allowance on the first born, I think by £50. At that time it was mentioned to them that it was unfair, as far as we were concerned, and an unsocial measure, if one would not be raising the family allowances by an equivalent amount. I believe, if my memory serves me correctly, that the Government at the time said: "Well, these family allowances normally take a little bit longer, they are introduced a little bit after tax allowances are increased". By omission this year they have done precisely that, they have again discriminated against families who have more than one child. I think a government of a party who calls itself the Gibraltar Labour Party, I think one could do a little bit better than that, Mr Speaker, where one discriminates against certain people and certain families just because the family happens to be large or larger than others. My second point, Mr Speaker, is the one brought up by my Hon Colleague on my left and that is on Government rents. I wonder, in fact, on the moratorium declared whether the Government really have thought enough about this issue because I believe there is a great danger in the landlords perhaps having more weight to any argument they might have in the representations that they might be making to the Select Committee with Government already having increased their rents by 20%. I think that is a very great danger in a democratic society particularly to a Select Committee of this House.

MR SPEAKER:

I will then call on the Chief Minister to reply.

HON CHIEF MINISTER:

Thank you, Mr Speaker. I would like to deal with the last point made by the Hon Member. The first of the two points made by the Hon Mr Scott has no validity at all. There is no question of discrimination, family allowances are normally

provided on the 1st of January and I think there is provision for the increase of family allowances on the 1st of January as indeed pensions go up on the 1st of January. This point of the rents and the moratorium which has been raised by the Hon and Gallant Major Peliza also, I would like to say that following on normal practice after a proposed increase in rents in Government properties, we bring a Bill to amend the Landlord and Tenant (Miscellaneous Provisions) Ordinance in respect of pre-war restricted tenancies and in that respect the moratorium does not apply in the sense that in any case if you are in a restricted premises you cannot have your rent increased unless the law so provides. In drafting the provisions which will be brought at the next meeting, it normally takes a little longer but it will be brought at the next meeting of the House, we will make sure that the 20% increase which we normally allow to landlords we allow ourselves, will not be caught by the moratorium. Therefore, the landlords will have the same benefit in respect of their duties to repair and so on in respect of their already restricted premises as the Government is ascribing to itself, there was never any intention to do otherwise. Mr Speaker, there is really very little to say in respect of some contributions. My Hon Friend, Mr Canepa, has dealt with the intervention of the Leader of the Opposition. He, naturally, had to object but on the whole, even the last but one speaker, it appears that the budget has not come as a great shock and that in fact they well knew though they expected that we might well have taken the advantage of raising taxes this year to have a better one next year, that that was not to be because that is not our purpose. I think the main point raised by the Leader of the Opposition has been disposed of by the Hon Mr Canepa. The Hon Mr Bossano's contribution is always of interest though of course he still keeps his economic plan hidden up somewhere but he did make an analysis of the housing situation which I think is very valid and should give pause for reflection when he was saying that there were people living in the heavily subsidised housing at the expense of all the taxpayers of Gibraltar being able to move at the weekend to a privately owned villa across the way if people are prepared to listen to Spanish advertisements in GBC or otherwise they are encouraged by those who are selling flats across the way from Gibraltar to buy a villa. That, of course, brings us back to the point of whether the flat itself should be subsidised or whether the tenant should be subsidised and though it is a serious consideration it has been thought of many times that perhaps we should have another look at it and that is that the rents of flats should be controlled by a certain maximum percentage of the income in the family unit and therefore the individual flat, very much like it is done with rent relief now in respect of people in the lower income group, the point is that it is not equitable for people who could afford to pay more rent to be living in a house for which the general body of taxpayers have got to make a subsidy of £1.7m when he could be paying double the rent because his income warrants it whereas somebody else may find it is not within the parameters of the rent relief which is now being given, will not find it very easy to keep

at a certain stage with certain increases. It is a very difficult area in which to work but it is true that we are putting on ourselves and in future generations a very heavy burden in housing. On the other hand it is also fair to say that many people are living in Government flats because they qualify due to their overcrowded situation and because they are in that middle area of income where they cannot afford the kind of expense that it costs to build a flat in Gibraltar whereas they could afford to pay more rent if they found accommodation more to their liking. This is the area where the difference comes between what is properly subsidised and what is really a service that should be self-sufficient and in fact that is why we are trying, within the difficulties that we have with land and so on, to encourage as much as possible for people to own their flats or to share with other people in owning flats and so on. When that opportunity is given and there is a place, the people are resourceful, resourceful not only in their interest to have a home that belongs to them but also in the fact that they put in a lot of work themselves, they do it themselves, they get friends to do it and they get team work and they get things going very well. That is something that we have to think about. I will have to say a few things about the longest speaker on the other side, and that is the Hon and Gallant Major Peliza. As usual, his contribution is a big cocktail. It is a picture of blind passion, missionary zeal, trivia, nonsense, comedy, and sincerity and common sense. All those are contradictory but they all come out and the longer he stays talking the more these conflicting views come out. In the end I think there is one characteristic that shines over all the rest of the trivia and that is sincerity. I would not be true to myself if I did not say that even in his nonsense he is sincere. He mentioned one or two matters which because there is sincerity and there is common sense in many of the things he says, I listen to him. I have to look for the good things but I have to listen carefully. I pick occasionally some things that I have to answer because I think the amount of energy and passion that he devotes to his contribution deserves to be listened to in the respect where there is some sense in them. First of all, as indeed in the case of the contribution of the Hon Mr Haynes, we do thank Members of the Opposition for their offers of help in a common front and so on. When like everything else, it has happened with the situation in the Falklands and so on, the responsibility must be the responsibility of the Government. It is really when Gibraltar is with its back to the wall that everybody has got to get together but for as long as it is the responsibility of the Government I think it is fair and proper that we should have open discussions and air our differences and so on in this democratic way. We have the experience of the coalition in 1965 when everybody thought it was right and a little time after we were being accused of deciding everything behind closed doors. I think that for as long as we can have this healthy and robust debate the more responsibility the Government takes the better but, of course, we are grateful for the contribution. In this respect I think the Hon Major Peliza is somewhat misinformed. First of all, the PEIDA

Report of the consultants, the full Report, is in the hands of his leader and of Mr Restano, they have a copy, and members of the Consultative Committee have had a copy too on a confidential basis but they have had a copy from the very beginning. Secondly, there is a summary and perhaps Members have not shown any interest but perhaps the Hon Member who has indicated this, there is a summary of the economic effects which has been made by the Economic Department out of the PEIDA Report of which we can provide him with a copy so that he can assess better the judgement of the Report rather than the consideration leading to the judgement and. I shall be pleased to provide him with a copy of that summary of the Report.

HON MAJOR R J PELIZA:

If the Hon Member will give way. Mr Speaker, he has certainly missed my point.

HON CHIEF MINISTER:

Pardon?

HON MAJOR R J PELIZA:

The Chief Minister said before that he does pick up some of my statements that he thinks have got some common sense. It was not because I wanted to know the contents of the Report though of course I more than welcome it. What I am trying to say is that if the effects of the closure of the Dockyard as expressed in the Report were made public not just to me so that the Members in the House of Commons were to know about it, then we would be in a much stronger position with regard to the position of Gibraltar and the closure of the Dockyard. I am afraid that although I have said it about ten times in this House the Chief Minister still has not got it.

HON CHIEF MINISTER:

Because the answer to that is 'no' and I think there is a very good reason for it. There is a considerable amount of research which was made there for the purposes of the Report that might undermine to some extent the tenders that we expect coming from those operators who are interested.

HON J BOSSANO:

Mr Speaker, if the Hon Member will give way. Isn't he aware that almost every newspaper in Gibraltar has already published the consequences and in fact the last paper that I saw the results published in was Lloyds List of London? It is no secret, the Government may not have released it but everybody seems to know it.

HON CHIEF MINISTER:

It is not the summary of the Report that I am referring to. I am referring to some of the results of the research that was made for the purposes of the Report might draw other people to wrong conclusions, that is what I am saying. It is not the Report itself, it is not the conclusions themselves, in fact, the summary of the conclusions and the summary of the effects is exactly what I was offering the Hon Member which has been done by the Economic Unit and which is available. It is the consideration of the Report, the number of data which was collected. I think the Financial Secretary has already given the reason himself on his own entirely.

HON MAJOR R J PELIZA:

But couldn't it be made public, not just given to me, made public the consequences of the closure of the Dockyard, that is all I am interested in?

HON CHIEF MINISTER:

It has been given on a confidential basis to MP's who have been interested. It is in our interests not to have made it completely public. Later on, when we see the end of the tenders, it may be different but until the 31st of May I regret that publication of it cannot be considered at this stage. Mr Speaker, my Hon Friend, the Financial and Development Secretary, will be dealing with the arithmetic of the Hon and Gallant Member to show the fallacy of the arguments about the division of the amount of money that is going to be collected among the number of households which of course does not take into account the question of industrial users and so on. The point made by the Hon Mr Loddo, his contribution I think this year was double the time of last year and I hope that next year it will be progressively longer, that it will have a little more sense. The reference to the fact that because we are going to get more money out of income tax if we have underestimated our estimates of the amount to be received would have made the increase in the electricity and the water unnecessary has got the big fallacy that it is a question of some element of contribution by the particular users of the service to have to pay more than the average taxpayer. The money has got to be paid anyhow but the point is steering the burden between the contribution that has to be made from the general body of taxpayers because of the high cost of these services because they are self-sufficient and they are provided for a small area, and the element that is fair to charge to the consumer themselves who get the benefit of it. If one does not appreciate that of course one does not appreciate the policy of trying to make to the extent possible the funded services as self-sufficient as the circumstances of Gibraltar make it allowing for the fact that they are more expensive than in other places because it

caters for a smaller unit, a smaller population, and to some extent because we want, whatever happens, to make them independent and away from any possible pressures of sharing it with people who might at a given moment deprive us of them. Thank you, Sir.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, there are a number of points of clarification or explanation I would like to make but, first of all, may I inform the House, Sir, that at the Committee Stage of the Bill I shall be moving an amendment to Clause 15(1)(iii) line 5 to substitute the figure '38' for '31'. This is a slip made in the Treasury and I apologise to the House for it. The Hon and Learned Leader of the Opposition, the Hon Mr Bossano and the Hon and Gallant Major Peliza, all wondered how we had arrived at a figure of £200 for tax free interest on building societies and asked, quite fairly, whether this would be sufficient to encourage funds into building societies. We chose the figure of £200 because that is the amount that is linked to savings in the Post Office Savings Account and we are flexible on this when we see how things are moving. In my opening speech in the debate I did say that what I would like to do would be to move to the UK system where you have a fixed and slightly lower rate of income tax on interest from building societies. This would improve our cash flow because the building societies themselves would pay the income tax to us at a slightly lower rate and we would not have to wait for it to be declared and then assess it and collect it a year afterwards. We would like this but what we have got to do is to negotiate it with the societies. I accept that this would not meet the point made by the Hon Mr Bossano that it would not bring in enough money. The thing is that we have got to move along here on two fronts. We have got to get money into the building societies to lend it to people who want to buy houses and we have got to have houses to sell to people who want to buy them and we have got to persuade people somehow to want to buy houses and Gibraltarians, rather like the French, if I may draw that comparison, prefer to rent houses rather than to buy them. In the UK we buy them, the Germans buy them, the Dutch buy them, the French rent them and it is a question of moving forward the money, the houses, the desire to buy them. We are pushing off on the money side and I hope that in a future budget we can step this amount up but at the same time we have got to move ahead on fronts which are not my side of the House on the provision of housing and on the persuasion of people to buy them once they become available.

HON J BOSSANO:

Can I ask the Hon Member whether in fact he has any evidence that there is a shortage of mortgage funds available? I accept entirely what he said that if you just have the money and the houses are not there or if they have the money and

the houses and the customers are not there then the situation is still the same but I would like to know whether in fact there is evidence that we need to stimulate the provision of funds for mortgages because they are not available.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think that money is available for mortgages from the banks. I think that in the building societies there is a shortage of funds and they would like more. The problem with the banks of course is that they have the 15-year pay back period, this is rather short and I have talked to them and I think that one bank has pushed it up to 20 years and I have suggested that as in the UK they should push it up to 25 years and that would help enormously. There is no magic about the £200, that is how we arrived at it. Indirect taxation, again mentioned by a number of Members opposite, the fact that the trade are probably holding back to know where they are going. Well, we may not be getting the revenue in because they are holding back but if we had lowered the rates of tariffs and the frontier had not opened, we would have lost very much more money than we are in fact losing by people not bringing the goods in. The Hon and Gallant Major said that the money is in the kitty or as good as in the kitty, it was waiting there to be picked up when we got it and I think that he may not have been in the House when I made a point in my winding up speech on the Appropriation Bill, or perhaps he had switched off his machine when I was speaking, I made the point that throughout last year the revenue from indirect taxation was running lower than projected. It started off in May after the April rush to buy before the budget and it tapered off and by August/September there was a notice of decline in the amount coming forward so that whilst I share his hope that there is some money there for us, I am not quite sure it is sufficient to make up what we had expected. On income tax, alright, we were £1.04m over the mark, and what I would like to say is that £0.4m of that came in in the last five days of the financial year. It is just that people suddenly decided to pay their bills and it is rather like a business and many of the Hon Members opposite are businessmen, your books close on a certain date and if the money happens to come in that year it falls in on one year if not it falls in the next. That £0.4m could quite easily have slid in to this financial year and thrown our figures for this year. It was windfall revenue. Very welcome but windfall for all that. I have one point on the Hon and Gallant Major Peliza's remarks about £972,000, the 9,000 families and the £300 per family. As the Chief Minister touched on just now, there are many other consumers other than families. There is commercial, industrial, there is the Ministry of Defence, the hotels take up quite a lot and so you cannot, unfortunately, do the sum which the Hon Member did and arrived at the figure that he did. I am afraid it does present a distorted picture.

HON MAJOR R J PELIZA:

Alright, distorted by what, £50? It could be the other way round as well.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am afraid, Sir, no. If you have got three times the number of consumers the figure will come down to £100. By the amount of water that is used I think the Hon Member will be very surprised to see how much is used by other people.

HON MAJOR R J PELIZA:

Well, in fact, the hotels are getting money from their water, they are getting quite a lot of money from the consumers, it is the other way round.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think that that covers all the points that were made and I commend the Bill to the House.

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 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 Bill was read a second time.

COMMITTEE STAGE

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I beg to move that this House should resolve itself into Committee to consider the Finance Bill, 1982, clause by clause.

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

Clause 6

On a vote being taken on Clause 6 the following Hon Members voted in favour:

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

The following Hon Members voted against:

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

The following Hon Member was absent from the Chamber:

The Hon A J Canepa

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 I Abecasis
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza

The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammitt
The Hon D Hull
The Hon R J Wallace

The following Hon Member voted against:

The Hon J Bossano

The following Hon Member was absent from the Chamber:

The Hon A J Canepa

Clause 7 stood part of the Bill.

Clause 8

On a vote being taken on Clause 8 the following Hon Members voted in favour:

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

The following Hon Member voted against:

The Hon J Bossano

The following Hon Member was absent from the Chamber:

The Hon A J Canepa

Clause 8 stood part of the Bill.

Clause 9 was agreed to and stood part of the Bill.

Clause 10

HON ATTORNEY-GENERAL:

Mr Chairman, I beg to move the following amendments:-

Sir, I beg to substitute the following paragraph:

To omit paragraph (a) and substitute the following paragraph:-

- (a) by inserting, after paragraph (t), the following new paragraph -

"(ta) any interest, not exceeding in the aggregate the sum of £200, paid or credited to any person and any interest, not exceeding in the aggregate the sum of £200, paid or credited to the spouse of any person, being in the case of each person interest on deposits in any one or more building societies incorporated and registered in Gibraltar in any basis period for any year of assessment;"

In paragraph (b), to omit "(ta)", and substitute "(tb)".

In paragraph (c), -

- (i) to omit "(ta)", and substitute "(tb)"; and

- (ii) to omit "(tb)", and substitute "(tc)".

If I can come back to the substance of the amendments, Mr Chairman, this is the ambiguity which I think needs to be clarified. The intention is that if a person has money in one or more building societies and derives interest from that money then he is eligible for an interest up to a total of £200 whether he has it all in one building society or whether he has it spread throughout a number of building societies but he can only get £200 tax free and in every case if he has a spouse, the spouse can also get the same exemption. The other points, Mr Chairman, are entirely consequential. I beg to move accordingly.

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

HON J BOSSANO:

Mr Chairman, I am opposing the amendment and I wish to speak in the hope of being able to persuade other Members to oppose it. First of all, I cannot see why in any case we need to put down that the £200 is credited to the spouse unless it is because under the Income Tax Ordinance the income is aggregated. Am I right in thinking that?

HON ATTORNEY-GENERAL:

Yes, Mr Chairman.

HON J BOSSANO:

But the need for that particular point is because it would otherwise be aggregated as part of the husband's income because it is not earned income and therefore it is separately assessed. Apart from that point which I think is necessary if it was not in the original one, my argument against it is, in fact, that I have not been persuaded that what the Financial and Development Secretary had to say for not removing the £200 limit. He said that the £200 limit was there because it is in the Savings Bank though of course it does not explain why it is in the Savings Bank, it is a purely arbitrary figure. The only point that one can make about this £200 limit given the experience of the Savings Bank, is that there is no noticeable effect because as far as one can tell from the Estimates, Mr Chairman, the number of depositors or the sums on deposit in the Savings Bank have not in fact reflected an upsurge due to the introduction of the £200 tax free figure so it suggests that if it were to have the same effect in the building society, whether we put £200 or whether we put nothing, it would still be the same. I do not think this would necessarily follow, I think that the Savings Bank itself has got such a sort of out-dated image, quite frankly, that people will not use it irrespective of what we offer them. I think it is desirable in any case that the interest paid on the Savings Bank which is very low anyway, should be free of tax without any limitations so I would wish the £200 limit to be taken away not just in respect of building societies but that we should at the same time that we are amending this section in fact not put any limit of the interest payment of the Savings Bank. I would have thought that in terms of possible loss of revenue it probably will have very little effect since I imagine most of the depositors on the Savings Bank are people who deposit fairly small sums of money and who are not very sophisticated in money management otherwise they would not have a penny there because it is very bad investment but at least if we are not taxing them we are not compounding the felony. As it is, Mr Speaker, it pays the lowest rate of interest anywhere and I think it is fully justified that it should not be taxed. Additionally, I think from a possible disincentive attached to putting money in the Post Office Savings Bank which is the idea that because it is a Government owned institution the Government is going to be scrutinising the money that people have got in it, if that is a disincentive, the fact that it is tax free which means that it does not have to be included in the assessment and in the returns, may in fact make people feel more comfortable about putting their money there without feeling that if they have it somewhere else, if they have it in a local bank, the Government won't get to know about it, but if they have it in the Post Office the Government will get to know about it. I think that irrespective of what we do in building societies I would say that there are strong reasons for wanting to do this for the Savings Bank in order

to enhance their attraction to investment. Coming to the building societies, my argument, Mr Speaker, is that if we were talking about attracting money then we are not really concerned about the advantage we are giving the individual. I could understand if we were saying: "We do not want people with very big incomes to benefit from this so what we are doing is we are giving the person with a little nest egg the opportunity of putting it into a building society and getting a tax free income but we are not wanting to provide a tax free investment to people with a lot of money". It all depends on the aim of policy that we are aiming at. If what we are aiming at is attracting money, then I think it is better to have people leaving their money in Gibraltar, making that money available for investment in Gibraltar in property because that may stimulate not only owner-occupation but in fact it may stimulate the production of houses in the private sector and some work for the construction industry and we should not put a limit to it. If we have got somebody that has got £50,000 in the London money market and he is now getting a return on it commensurate with what he can get in Gibraltar and there is no way of the Government getting to know about it and no way of the Government taxing it, then it makes sense to accept the realities of life and have that £50,000 available in Gibraltar for investment in Gibraltar, creating employment in Gibraltar. I do not think that one can say: "We will look in a year's time and find out what happens", because the fact that there may be half a dozen people on the £200 limit does not necessarily mean that there are more people willing to bring their money here and I think that if we put a £200 limit in the first instance then it may be that some people who might think of bringing their money here will not leave it here because they say: "Well, that is all very well, they are taking the £200 limit off now but suppose later on they change their mind and they put the £200 limit back and then I am caught with the money here and I cannot get my money out, whereas if I have got it out they do not know about it and then I am not taking a risk". I really think because it is not a social measure that we are considering aimed at giving protection or a better return for the lower income groups but in fact attracting funds, then the bigger the pool of funds we attract the better and I think the essence of the argument has been provided by the Government themselves really, Mr Speaker, so I cannot support the amendment which in fact not only does not justify the elimination of the £200 limit but would compound it further by saying that one would have to collate the interest in several building societies and ensure that it does not go over the £200 limit. Quite apart from anything else, the mechanics of it would be that people would not be sure if they have got more than one account in different building societies whether they have gone past the £200 or not until they get the interest at the end of the year. I really think that in terms of revenue loss we are talking about a nil revenue loss because the tax can be so easily avoided and it is so difficult to stop and it is a situation that a lot of other places are finding, Mr Speaker, we get the absurd situation almost in every area. If we take, for example,

the areas that we are more directly competing with which is Jersey, Guernsey and the Isle of Man, we find that there they tax their own residents but they do not tax other people's residents and what happens is that everybody in Jersey have got their money in Guernsey and everybody in Guernsey have got their money in Jersey and we do not want to get ourselves into that sort of situation, I would think.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I think that the Hon Member is right about people who put their money into the Government Savings Bank, it is rather like the sale of Government debentures, it is not easy to sell them because people, although we try and keep them one off well away from the Commissioner of Income Tax, people think that he will get to know where has he got the money from has it come from the black economy. Government to the man in the street is all one piece, if I may put it in those terms, and a very unpleasant one, too, and they suspect that the information we get on one side is passed to another. It is not so but you will never persuade them that it is not and in fact when we were launching a new issue of tax free debentures, I did talk to the banks to see whether they would act as our agents in order to divorce it once remove from the Government. Unfortunately, it was so expensive it was not possible to do it. The people who put their money into the Savings Bank put it there for a time and then they switch it into gilts or they leave it there, they are not terribly interested on the £200 tax free, really, they are not terribly interested in the rate of interest that they are getting. It is possibly true that if we made the amount tax free interest in building societies unlimited money would come back from UK although I am not quite sure that that is true because at the moment on a good long rate in the UK you can get about 14% or 14½ tax free for people living overseas and your building society rate even with the interest taken free for the first £200 or whatever is not going to come anywhere near that. The danger also is that if you get too much for the swing of the money into building societies before people are ready to start pulling it out, what is going to happen to it, it is going to go back into UK gilts but put there by the building societies, not by the individual depositors. This is so because the Ordinance says that any monies which they cannot lend out on deposits for mortgage purposes must be placed in UK funds.

HON J. BOSSANO:

But surely that would be an improvement, Mr Chairman. If we have got a situation today where there is, say, £1m out of Gibraltar by individual persons on deposit, in the gilt-edged market and the effect of this is that that £1m is first deposited in building societies and then the building societies deposit it in the gilt-edged market pending customers, it is better than the present situation, it is an improvement because it would be there ready to pick up when we required it so that is another argument in favour. I am grateful to the Hon Member.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

But in any event the Government considers that £200, in total, for tax free interest on a building society deposit is adequate at this moment of time and it is towards that end that the amendment that the Hon Attorney-General has moved is directed.

HON CHIEF MINISTER:

I would like to mention one point on which the Hon Member may be misguided. Money on deposit in banks in Gibraltar by residents has got to be reported to the Commissioner of Income Tax.

MR SPEAKER:

Does the Hon Attorney-General wish to reply?

HON ATTORNEY-GENERAL:

I think the Hon Financial and Development Secretary has dealt with the substance of the points raised by the Hon Mr Bossano.

Mr Speaker put the question in the terms of the Hon Attorney-General's amendment 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 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 amendment was accordingly passed and Clause 10, as amended, stood part of the Bill.

Clauses 11 and 12 were agreed to and stood part of the Bill.

Clause 13

On a vote being taken on Clause 13 the following Hon 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 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 Loddó
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

Clause 13 stood part of the Bill.

Clause 14 was agreed to and stood part of the Bill.

Clause 15

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I move that Clause 15(1)(iii) be amended by substituting the figure "38" for the figure "31" where it appears in line 5.

Mr Speaker put the question in the terms of the Hon the Financial and Development Secretary's amendment and on a vote being taken the following Hon Members voted in favour:

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

The following Hon Members voted against:

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

The amendment was accordingly passed and Clause 15, as amended, stood part of the Bill.

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

THIRD READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to report that the Finance Bill, 1982, has been considered in Committee and agreed to, with amendments, and I now move that it be read a third time and passed.

Mr Speaker then put the question and on a 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 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 Bill was read a third time and passed.

HON ATTORNEY-GENERAL:

If the House will give me leave, Mr Speaker, may I give some information to the Hon Mr Restano and the Hon and Gallant Major Peliza concerning the cost of the Public Works Inquiry. By your leave I would like to give it now. The total cost in approximate figures was £13,988.

ADJOURNMENT

The Hon the Chief Minister moved the adjournment of the House sine die.

Mr Speaker put the question which was resolved in the affirmative and the House adjourned sine die.

The adjournment of the House sine die was taken at 5.00 pm on Thursday the 6th May, 1982.

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

6 July 1982

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Eleventh Meeting of the First Session of the Fourth House of Assembly held in the Assembly Chamber on Tuesday 6th July, 1982, 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 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

ABSENT:

The Hon I Abecasis - Minister for Tourism and Postal Services

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 March, 1982, having been previously circulated, were taken as read and confirmed.

DOCUMENTS LAID

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

The 1981 Tourist Survey Report

Ordered to lie.

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

- (1) The Employment Survey Report - October, 1981.
- (2) The Accounts of the John Mackintosh Hall for the year ended 31st March, 1982.

Ordered to lie.

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

- (1) Supplementary Estimates Consolidated Fund (No 1 of 1982/83).
- (2) Supplementary Estimates Improvement and Development Fund (No 1 of 1982/83).
- (3) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 7 of 1981/82).
- (4) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 8 of 1981/82).
- (5) Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No 5 of 1981/82).
- (6) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 1 of 1982/83).
- (7) Supplementary Agreement between the Government of Gibraltar and Lloyds Bank International Limited.
- (8) Treasury Minute on the Second Report of the First Session (1980) of the Public Accounts Committee.
- (9) The Accounts of the Government of Gibraltar for the year ended 31st March, 1981, together with the Report of the Principal Auditor thereon.

Ordered to lie.

ANSWERS TO QUESTIONS

The House recessed at 1.05 pm.

The House resumed at 3.25 pm.

Answers to Questions continued.

The House recessed at 5.35 pm.

The House resumed at 5.55 pm.

THE ORDER OF THE DAY

MR SPEAKER:

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

HON CHIEF MINISTER:

Mr Speaker, as you are aware it is the established practice for me to make an annual statement in this House on the affairs of the Gibraltar Regiment.

During the course of supplementary questions which followed the last statement, the House referred to HMS Calpe, the local unit of Her Majesty's Royal Naval Reserve, and it was suggested that it would be of great satisfaction to the people of Gibraltar to learn of the good work that is being done by this unit.

I undertook to enquire from the Naval authorities whether a yearly report on HMS Calpe's activities could be made available to me so that I, in turn, could inform the House. This has been agreed.

It gives me very great pleasure therefore to be able to report on HMS Calpe's activities in 1981.

Mr Speaker, HMS Calpe provides essential personnel to man the Maritime Headquarters and the Port Headquarters in Gibraltar in times of tension or war. Their training is geared to these tasks and I am informed that they produced good results in the three major exercises in which HMS Calpe participated during the year under review.

Locally, Officers and Ratings manned the Maritime Headquarters for Exercise 'Test Gate' and Exercise 'Wintex 1981'. The former is an annual live exercise in which ships and aircraft test the NATO maritime forces defence of the Straits of Gibraltar and the latter is a 'Command Post' or 'Paper' Exercise designed to test NATO plans and preparedness.

In addition to these two exercises, HMS Calpe provided a total of 19 Ratings to help man three Maritime Headquarters in the United Kingdom during Exercise 'Ocean Safari'.

Several officers also attended the Royal Naval Equipment Exhibition which was held in Portsmouth, and they acted as escort/liaison officers and interpreters.

As is customary, professional training at various Royal Naval Establishments was provided throughout 1981 and fourteen officers and twelve ratings attended courses in the United Kingdom. Six officers attended Naval Control of Shipping courses and three a course for divisional officers. Other courses included WRNR rating courses, leadership training and staff acquaint courses. For the first time ever a Naval Control of Shipping Training weekend was organised locally and ten officers and twelve ratings participated.

Mr Speaker, the House will be pleased to learn that the Officer cadre of the Unit continues to increase. Three candidates who attended the Officer Selection Board at HMS Sultan in Gosport were successful. They are now Third Officer Amalin Ferro and Sub-Lieutenants Brian Cardona and Leo Victory. I am sure this House would like to join me in offering them our congratulations.

As the Unit grows older so do their members and Lieutenant-Commander Hardy was awarded the Reserve Decoration and three Ratings, Communicator Felix Acolina, Petty Officer Elio Apap and Leading Communicator Joseph Finlayson also had their long service recognised by the award of the Long Service and Good Conduct Medal.

In June HMS Calpe passed a good annual inspection. The Unit was also inspected at Divisions by His Excellency the Governor, during a visit to HMS Calpe, and he later met personnel at their training classes. The Unit was also visited by the Chief Staff Officer Reserves Captain Fry and other Staff Officers of the Commander-in-Chief Naval Home Command.

At the end of 1981 the membership stood at eighteen Officers and ninety-eight Ratings leaving a shortfall on peacetime complement of two Officers and seventeen ratings.

Mr Speaker, in conclusion, I am sure all Members of this House will join me in congratulating Commander Nassias, who will be retiring at the end of this year, and all members of HMS Calpe on a job well done. We wish them all the very best in their future endeavours.

HON MAJOR R J PELIZA:

Mr Speaker, I would like to thank the Chief Minister for so promptly getting this report on HMS Calpe. I think we in Gibraltar feel very proud that we have Gibraltarian volunteers serving with the senior service which have proved themselves to be still ruling the waves so recently in the Falklands and we wish them well in their future endeavours. They obviously have done extremely well by what we see in the report and we are looking forward to hearing similar good reports from them from year to year.

MR SPEAKER:

I will now call on the Minister for Public Works.

HON M K FEATHERSTONE:

Sir, I feel the House will be interested to know details of the water undertaking for the year 1981/82.

Stocks of water at 31 March, 1982, gave a gross figure of 43,439 metric tons, a slight improvement over the March, 1981, figure which was 41,077.

The total production for 1981/82 was 695,639 metric tons and this was made up from various sources as I will be stating.

Rainfall in a year in which the rainfall was somewhat less than average, produced 45,186 metric tons or 6.5% of our total production. Even in a year of above average rainfall, the production from this source would not be more than 10% of the required total, and it will be for consideration in the not too distant future whether the capital expenditure required to keep the Catchments in an adequate condition will be justified.

The wells produced 102,624 cubic metres which was 14.7% of total production. It will be appreciated that production from the wells will vary depending on the rainfall over the previous year or so. Importation provided 38% of our total production and of this 2.8% was from UK sources at very high cost. The balance was obtained from sources closer to hand. The distillers produced 39.3% of our requirements, 24.9% being obtained from the North Face Distiller and 14.4% from the VTE. To make up 100% total there is a small balance of 1.3% which was water borrowed from PSA and this is repaid in kind.

The total amount of water supplied over the year was 684,011 cubic metres of which 28,158 went to shipping and the balance to local consumers. The total billed was 623,447.

If one does a calculation of deducting the total billed from the total supplied and dividing the resulting figure by the total supplied, the percentage loss for the year is obtained. I will not strain Members of the House by requesting that they do this calculation. The resulting figure is 0.55%.

I feel that the House will join me in congratulating the Water Engineers in reducing losses to so low a figure. This has been achieved by a long term and concerted effort on the part of the Water staff in effecting night tests. As can be seen from the frequent advertisements in the press that the water supply will be cut off in certain districts between 11.30 pm to 6.00 am, these tests are being effected in all areas on a very frequent basis. They must, of course, be paid for by overtime payments but I feel the House will agree with me that this is money very well spent.

The previous year's losses were about 15%, so the saving on last year's losses was around 40,000 tonnes which at the marginal rate for water has a value of some £120,000. This saving is indeed a very satisfactory figure and I can assure the House that it will continue to be the aim and endeavour of my Water Department to attempt to contain losses to this year's present happy figure.

HON G T RESTANO:

Mr Speaker, we welcome the reduction in the losses and join the Minister in congratulating the staff of the Water Department. One question I would like to ask is, in reducing these losses have the areas been identified where in the past greater amounts of losses were incurred?

HON M K FEATHERSTONE:

I think, Sir, as soon as an area of loss is identified efforts are made to contain that loss forthwith by actually seeing where the leak is and getting the pipes repaired. I would be able to supply the Hon Member with a breakdown of the areas if he so requires.

HON G T RESTANO:

Is it, for example, underground pipes?

HON M K FEATHERSTONE:

Yes, it is usually underground pipes that are faulty and starting to leak.

MR SPEAKER:

I will now call on the Minister for Municipal Services.

HON DR R G VALARINO:

Sir, on 1 October, 1982, International Direct Dialling and local call charging will be introduced to Gibraltar; concurrently with this, the Telephone Exchange capacity is being increased by a net 2,000 lines and will cater for a maximum of 10,000 subscribers.

The tariff structure of local call metering will be as follows:-

There will be three different rates:

Peak rate - 9 am to 1 pm Monday to Friday

Standard rate - 8 am to 9 am and 1 pm to 6 pm
Monday to Friday

Cheap rate - 6 pm to 8 am Monday to Friday
and throughout the weekend.

For charging purposes all calls will be metered in units of 4p each, the time allowed for each unit during the different rates will be:-

Peak rate - 2 minutes

Standard rate - 3 minutes

Cheap rate - 9 minutes

Government has also decided that on the implementation of IDD a free call allowances of 120 units per quarter for each exchange line will be allowed. No increase in rentals, either for business or residential subscribers, has taken place this year. But it is envisaged that once Government has the experience and knowledge gained in the six months up to the end of the current financial year it will be in a better position to make changes to rental patterns and free call allowances to both residential and business subscribers.

Before local charging and international direct dialling are introduced details of the schemes will be given wide publicity in all news media.

In the United Kingdom the unit charge is 4.3p, exclusive of VAT - in fact, if I may have the leave of the House, there is an article today in The Telegraph which has risen this to 4.5p per unit exclusive of VAT, once again - which raises the unit to almost 5p, and the time allowed per unit charge was reduced on 4 March, 1981, from:

Peak rate 2 minutes to 1½ minutes

Standard rate - 3 minutes to 2 minutes

Cheap rate - 9 minutes to 8 minutes

To take an example: the new arrangements will mean that, including the free call allowance of 120 units per quarter, the average residential subscriber's bill would increase by £2.40 per quarter, assuming that two calls are made daily at the standard or cheap rates. It is obvious that, for the same amount, a residential subscriber will be able substantially to increase the duration of his calls if the calls are made during the cheap rate period.

International direct dialling will start to about 75 countries, excluding Morocco which will probably not have the facilities until 1983 or 1984 but it is hoped that direct dialling to and from Spain will be possible early next year. The six Charge Bands will be retained and the rate per minute will be reduced for direct dialling from existing operator rates. At present a minimum of 3 minutes is charged for operator assisted calls, but with international direct dialling there will not be a minimum period of charge. Furthermore a year after IDD the possibility of introducing a cheap rate for the international service will be looked at jointly with Cable and Wireless.

Details of charging patterns will be found in the 'Inland and International Call Charges Regulations 1982' of the Public Utilities Undertakings Ordinance.

Notice has been taken of the views of the Opposition expressed during the Budget session, however Government does not consider these views practical.

It should be noted that Government has been able to introduce International Direct Dialling three months prior to the original provisional date. Thank you, Sir.

HON G T RESTANO:

That statement, Mr Speaker, we do not welcome, very much the opposite. We gave our views at budget time and we said that it was quite unnecessary for the Government to charge local calls. We consider that the increase that there is bound to be in international traffic owing to the easier facilities in making trunk calls will engender a greater revenue for the Government and particularly in today's circumstances of Gibraltar with a closed frontier etc, we think it is quite unnecessary and uncalled for. On a matter of clarification, the Minister has said that there will be 120 free units per quarter per subscriber. Can he tell me what period of time do those units cover?

HON DR R G VALARINO:

I said 120 units per quarter will be free of charge.

HON G T RESTANO:

What period of time in length of telephone conversation does 120 free units represent?

HON DR R G VALARINO:

I said either at the standard or the cheap rate

HON G T RESTANO:

Let us say the standard rate.

HON DR R G VALARINO:

3 minutes or 9 minutes.

MR SPEAKER:

What he is saying is that if the calls are made at the peak rate they will be charged at that rate.

HON DR R G VALARINO:

That is right and if the call is made at the other rates you will be able to speak longer for the same amount of money.

HON G T RESTANO:

I do not think I have understood the Minister.

MR SPEAKER:

At the cheap rate you can make your unit call and it will be calculated to 4 minutes, is that correct?

HON G T RESTANO:

Perhaps the Minister can make it clear. The 120 units would represent what period of time at the cheap rate, the standard rate and the expensive rate? In other words, for how long can one talk for 120 units which are given free of charge?

HON DR R G VALARINO:

Let me explain this, Mr Speaker. The allowance is based on units. These units which will be 4p each, at the standard rate you will be able to speak for 3 minutes for 4p and at

the cheap rate you will be able to speak for 9 minutes for 4p, therefore you will have 120 units and it will be up to the individual consumer to choose in which period of the day he will ring up, Sir.

HON A J HAYNES:

You are being given £4.80 free and the rest is kept by Government, is that correct? In effect, 120 units is £4.80 worth of calls. That is a very paltry sum.

HON P J ISOLA:

Am I right in saying that provided you talk at the cheap rate of 9 minutes during the time the cheap rate is charged, they will have a total of 18 hours free calls over 90 days which is 2,160 hours? If you spend your time talking the whole of the 90 days you would only have 18 hours free out of 2,160 hours provided you talk during the cheap time. That is a nice mathematical one for you. It shows how little you are given.

HON A J HAYNES:

£4.80 out of the rental I feel that is far too low and will the Minister consider increasing that at least?

HON DR R G VALARINO:

Mr Speaker, Sir, the Hon Member considers that the £4.80 per quarter of the free call allowances is rather low. Let me say two things, first of all, that if Government had to balance the telephone account we would have needed an increase or something in the region of 69% in residential telephones and 49% in business telephones which would have proved much higher than the amount we are giving at the moment. Secondly, this newspaper which has arrived today which clearly says that phone bills will go up by 5% for householders says: "The average domestic bill is expected to rise by 5.4% or 1.9. a quarter to 37.33. The increase for business customers is being held at 1.6% or £3.04 on the average quarterly bill which will go up to £193. Rental installations and basic call charges are up and there are some tariff reductions in a series of proposals submitted to the Post Office Users National Council for clearance. British Telecom wants to introduce the new charges on November the 1st. The charge per dial call is to go up by 0.2p to 4.5p for local and some trunk calls whilst charges on some operator calls will rise by 12p. Furthermore, connecting charges will rise by £5 to £75 for residential customers and £85 for businesses. There will be increases of between 5% and 30%

MR SPEAKER:

You must not read the whole article.

HON DR R G VALARINO:

I just wanted to make the point, Sir.

MOTIONS

HON CHIEF MINISTER:

Mr Speaker, I have the honour to move in the terms of the motion standing in my name that: "This House, recalling the resolution adopted at its meeting held on 17 March, 1982, resolves that the Honorary Freedom of the City of Gibraltar be now conferred upon the all-party British Gibraltar Group in Parliament, as a sign of the deep gratitude and appreciation of the people of Gibraltar for the unstinting support and efforts of Members of both Houses of Parliament, of all parties, over the years, particularly in the struggle of the people of Gibraltar to maintain their right to determine their future and in their campaign to achieve entitlement to British Citizenship". The resolution adopted by this House on the 17 March, 1982, contained three features. First of all, it recorded the deep appreciation of Gibraltar for the support and efforts of its friends in Parliament over the last 17 years with special reference to the question of British Nationality. Secondly, it resolved that the Freedom of the City of Gibraltar should be conferred on the all-party British Gibraltar Group in Parliament and, thirdly, it stated that this should be done at a time considered after consultation with officers and members of the Group to be most opportune. The consultations referred to in the resolution was undertaken very shortly after it was passed and as a result it was agreed that the conferment of the Freedom of the City should be proceeded with at the earliest opportunity. It is in accordance with that agreement that I have proposed today's motion. This will, I hope, help to dispel any thoughts that the Government in putting its amendment on the last occasion was in any way trying to delay the matter. What the Government was anxious to do was to ensure that the timing of the conferment should be fully discussed with those concerned and agreed upon. This has now been done. Hon Members will have observed a new and significant feature in the motion now before the House. In addition to singling out in relation to the support and efforts of Members of Parliament the question of British Citizenship, the motion now makes a special reference also to Parliament support in the struggle of the people of Gibraltar to maintain their right to determine their future.

This may have been held to be implicit in the original motion but I think there are two good reasons why the points should be specifically mentioned. The first is that this has been and continues to be the most important and fundamental issue for the people of Gibraltar. The second reason is that I hope that it will, if only indirectly, meet the points raised by the Hon Mr Bossano in the last debate when he suggested that there might be one or perhaps a very few members of the British Gibraltar Group who, in his view, might not entirely share the views of the great majority of the members of the Group. The motion, as now worded, makes explicitly clear exactly what we have in mind and why the Freedom of the City is being conferred. This makes it in the case of the one or two members in question a matter of "if the cap does not fit, do not wear it". Finally, Sir, I refer to the third feature of the resolution adopted on the 17 March and of course retained in the motion now before the House, which is the deep appreciation of the people of Gibraltar for the support and efforts of its friends in Parliament. This appreciation runs so deep and is so well known to us all here that I need not elaborate on it at length. It is, I believe, also well known to the members of the Group and its most eloquent and direct expression is, of course, the actual conferment of the Freedom which the motion proposes. I have been closely connected with the Members of both Houses of Parliament who have helped Gibraltar and stood so staunchly beside it over the years. Their connection with Gibraltar has not been merely on the political plane. They have become our close personal friends and the warmth of their regard and concern for our welfare is something which I wish today humbly and publicly to acknowledge and record. I cannot speak too highly of their interest and concern. In the recent past it has been necessary for me and other Hon Members of this House to visit Britain to discuss matters affecting Gibraltar. On each occasion a meeting of the Group has been arranged, very often at short notice, so that we might address its members and on each occasion irrespective of their other very pressing parliamentary business, the members have turned up to listen to us, to discuss our problems and to ask how they can help. We are not their constituents. We did not vote for them, there are no UK political party implications for they come from all the parties and it is this deep and disinterested affection for Gibraltar which we are formally acknowledging and recognising today. The point was made by the Hon Leader of the Opposition on the last occasion that there has been no conflict over the years between the Group and the British Government because the latter has always stood by us on the fundamental issues. I agree with that, there was perhaps a minor disagreement over British Citizenship and I am confident that the role of the Group will continue to be one of support for Gibraltar and of support for the British Government in its support for Gibraltar. Nevertheless, there is great comfort in having a body of friends who will from time to time prod, question and apply gentle pressure

on Gibraltar's behalf. As one former Foreign Secretary put it to me recently when a hypothetical proposition was raised in conversation, he said: "Parliament would never allow that". That is the measure of their influence and a commentary on the workings of true democracy. Sir, I commend the motion, I do so with the greatest warmth at my disposal and with sincere pleasure.

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

HON P J ISOLA:

Mr Speaker, we of course support this motion which has been brought to the House really on the first possible occasion since the motion that was adopted on the 17 March. The only meeting that has intervened between was the actual budget proposals meeting which, as you are aware, Mr Speaker, devotes itself entirely to discussion of the budget. I cannot, of course, disguise my pleasure at seeing that this motion is now before the House and definitively we are now to confer the Honorary Freedom of the City of Gibraltar on the all-party British Gibraltar Group in Parliament and my party wholeheartedly support this motion. The reasons for the motion I, of course, brought to the notice of the House in my intervention on the motion brought from this side of the House on the 17 March, 1982, in which, of course, I informed the House that it was our view that the appropriate time for granting the Freedom of the City was then and we had had ourselves discussions on the matter with Members of Parliament who also thought it was the appropriate time. Mr Speaker, over a number of years a couple of months makes no difference and I am glad that the Chief Minister himself when he held his discussions in London, discovered the very strong feeling there was among our own Members of Parliament, our own supporters, that the time for the granting of the Freedom of the City was now rather than later. As I said in the last debate we will be looking to our friends in Parliament, I think for the foreseeable future and obviously we cannot wait forever and certainly now if now was right in March, now is more right now when the frontier in fact has not opened and we have had this attempted assault once more by the Spanish Government on the sovereignty issue over Gibraltar which has been rejected with such robustness by Her Majesty's Government lead by Mrs Margaret Thatcher who now even obtains on this issue the ungrudging support and admiration of the Hon Mr Bossano. I never thought, Mr Speaker, we would live to see that day but we have and I think it is very noble of him to give the support that he does. Now is the time once more to show our appreciation for the wonderful work that is done for us in Parliament and now, possibly, is also the time and maybe really opportune especially in the face of some of the comments that one has heard in the recent past from some Members of Parliament.

following the Falklands dispute and the Falklands re-possession, some Members of Parliament, I am sorry to say close friends of my Hon Friend on the left and I am sure he is sorry to hear it too who seem to be taking rather an irresponsible attitude on the matter. I am sure, Mr Speaker, that the resolution that is being passed today by the House, and I hope it will have the support of all Members of the House, will show our friends in Parliament our very deep appreciation for the efforts throughout the years on our behalf and for the efforts for the future. It gives me the very greatest of pleasure to support this motion.

HON J BOSSANO:

Mr Speaker, I welcome the opportunity to be able to say without any reservation that I and my party are fully in favour of the motion that is being brought to the House and I welcome particularly the inclusion of this reference to our right to determine our future which I think, as the Hon and Learned Leader of the Opposition has said, has very clearly for the first time been questioned by some Members of Parliament in the context of the Falklands dispute. The Chief Minister, of course, informed me before the meeting of the House that he was proposing to bring the motion before it was made public, I had already discussed the matter subsequent to the 17 March in the executive of my party, we had an opportunity to consult some of our friends in the Labour Party in the United Kingdom which are the ones that we have got close relationship with and I have to say that the support of Parliament on the question of the right of self determination should perhaps be easier to obtain, as I see it, because of the successful operation in the Falkland Islands. I think there is no doubt, looking at the behaviour of some members of the left of the Labour Party in particular in the context of the Falklands operation, that the stand that they took in considering that the fundamental human rights of 1,800 Falklanders could be sacrificed on the altar of expediency made to many of us a total nonsense of their profession of their commitment to a principle stand in defence of working class interests or of any other forms of ideology. I have no hesitation in confirming the assessment of the Hon and Learned Leader of the Opposition that I have no hesitation in saying how much I admire the principle stand that Mrs Thatcher has taken in defence of the interest of the Falkland Islanders. I only wish she would carry through that example and take an equally principle stand in defence of health service workers, railwaymen, miners and so on. However, there is no doubt that if we have to face difficult decisions in the future it would be easier and better for us to be able to say that we disagree with the British Government over specific issues like the closure of the Dockyard without in any way having any innuendo or conflict or insinuation that our right of self determination is being put on a balance

and that we either have to choose between one and the other. We can still look to the British Government and to Parliament to support us on the right of self determination and perhaps have to do battle with the British Government on aid or the Dockyard or anything else. I support the motion, Mr Speaker.

HON MAJOR R J PELIZA:

Mr Speaker, I would like to say a few words. It is a tremendous joy and pleasure to be able to support the motion word for word as it is written, Mr Speaker. I, since 1964, have been in touch with Members of Parliament. I from that day saw that Gibraltar might need their help sooner or later and it did transpire on what was perhaps one of the most important issues for the Gibraltarian, our nationality, it was through the efforts of those Members of Parliament that we were able to achieve that. To me the Houses of Parliament is the heart and conscious of the nation and whilst the Government is moved by exigencies I think the moral situation is much more respected and upheld in Parliament than it is by the Government. This is why this, in my view, is the greatest safeguard that small communities like Gibraltar have. I can say that perhaps it was really Parliament that urged the Government to take up the question of the Falklands in the radical way that they took it. I must also say that it was perhaps because we had such a Prime Minister with so much courage at the head that the pressure put on Parliament was effective. I have written directly to Mrs Thatcher and I have sent to her this very good booklet on Gibraltar; "The Truth about Gibraltar". I am pleased to say that she replied herself and told me in that letter: "I shall be reading this pamphlet with great interest during this week-end". Here we have a Prime Minister who is very directly concerned not only with great issues but also with very small issues, perhaps, like that of Gibraltar. We have, I think, Mr Speaker, up to now been using Parliament purely as a defensive weapon for Gibraltar in a sort of negative way. I think a lot of thought should be given to using Parliament in a positive way in achieving changes that I think are necessary in Gibraltar for the sake of having permanent security and not having to live from day to day as we are doing at present. I hope that this House will take that into account and will use the good offices of the Gibraltar Group to foster the changes that I think should come to Gibraltar through the pressure that I am sure we can put on the Government from Parliament. I am sure, Mr Speaker, that the Members of the House, those who are our friends, will appreciate very much this gesture from the people of Gibraltar which obviously has the full support of all the Members of this House and I am sure not just all the Members of this House but I would say 99.99% of the population.

MR SPEAKER:

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

HON CHIEF MINISTER:

Mr Speaker, it is not difficult to reply when everybody is in agreement. I do not know what the Hon and Gallant Major has in mind, I thought at one stage he was saying that we should cause changes in Parliament itself but apparently the changes are to be carried out in Gibraltar. Anyhow, I am prepared to consider any suggestions for changes which we can put to the Members of Parliament.

HON MAJOR R J PELIZA:

If the Hon Member will give way. I meant a kind of constitutional change that will get us off the name of being a colony, that is the first move that I think we should do.

HON CHIEF MINISTER:

Well, I think you are almost advocating the Gibraltar Democratic Movements initial policy, Mr Bossano's prayer, if he prays. Anyhow, I think that perhaps I ought to say now that we ought to start thinking more positively of how this is going to be carried out in effect which is the gesture which we have to think of, how and who is going to come out to receive the Freedom of the City, that is really the mechanics of it and we should devote our attention to that.

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

The House recessed at 6.40 pm.

WEDNESDAY THE 7TH JULY, 1982

The House resumed at 10.45 am.

MR SPEAKER:

I will remind the House that we are on motions.

HON CHIEF MINISTER:

Sir, I have the honour to move in the terms of the motion standing in my name: "That this House - (1) deplores the policy of restrictive and repressive measures employed against the people of Gibraltar by the Spanish Government in its attempt to achieve a transfer of sovereignty over Gibraltar; (2) affirms the determination of the people of Gibraltar to continue resisting the said policy of the Spanish Government and not to yield to the said measures; (3) reiterates its view that sovereignty is not a matter for negotiation with Spain; and (4) expresses its appreciation to Her Majesty's Government for upholding the right of the people of Gibraltar to determine their future and its confidence to Her Majesty's Government's commitment to support and sustain the people of Gibraltar for as long as the restrictions make this necessary". Sir, it seems to me right that I should bring this motion to this House at its first meeting after the last failure to implement the Lisbon Agreement in order that as an Assembly we should take stock of our position and give public expression to our views on the situation as it is today. I propose to comment as briefly as I can on each of the paragraphs of the motion and on how I see the future and then to ask the House for its endorsement. Mr Speaker, I hope you will allow me if I make use of copious notes because it is a rather delicate matter and I want to be able to speak with some confidence that the right thing is said. Whilst the thought in the first paragraph of the motion might seem after all these years an obvious one it is expressed today in the motion because the restrictive and repressive measures to which it refers should have been removed twelve days ago in accordance with the formal agreement entered into between the British and Spanish Prime Ministers on the 8th January, 1982, an agreement which stemmed from another formal agreement entered into between the two countries on the 10th April, 1980. The paragraph links the measures with the Spanish Government's attempt to achieve the transfer of sovereignty over Gibraltar because it has recently become abundantly clear that the original purpose of the restrictions to coerce the people of Gibraltar into changing their political will is as alive today as it ever was. Paragraph 2 of the motion accordingly reaffirms the determination of the people of Gibraltar not to yield to coercion. It may be that everybody knows this already but again it seemed to me just as well in the present situation to say it. The third paragraph goes naturally and consequentially from the second and this is indeed again merely a re-statement of the views expressed in this House on the 8th November, 1977, and again on the 28th April, 1980, which are the two resolutions which have been passed unanimously by this House in this respect. Hon Members may recall that in the course of the debate of the 8th November, 1977, I announced that I had proposed to the Foreign Secretary at the time, Dr David Owen, that a meeting might be held between the British and the Spanish Governments at which the

Leader of the Opposition and I might be present. I said at the time and I quote: "The main object of this meeting will be to provide an opportunity for the two of us to have a talk with representatives of the new Spanish Government so that they should know directly from us the views and feelings of the people of Gibraltar. It seems to be right that we should not let this opportunity pass without taking some initiative in order to see whether the new democratic government of Spain takes a more up-to-date and a more enlightened view on the question of Gibraltar". Then I stressed finally that the talks would be purely voluntary without any commitment whatever on any side and completely without prejudice to the position of any of the parties. It was as a result of this initiative that what was to become known as the "Strasbourg Process" began. I mention this for three reasons; first of all the fact that the initiative was mine showed that we in Gibraltar were not totally closed to the idea of dialogue and that some degree of understanding might emerge. Secondly, I mention it because the Strasbourg Process did in fact achieve something; a recognition by the Spanish Government of the separate identity of the people of Gibraltar. This the former regime had consistently denied and indeed had often expressed its total contempt for us. Thirdly, I refer to the Strasbourg Process because it was in the course of this meeting that I stated that in spite of everything I would express the goodwill of the people of Gibraltar and that this goodwill meant the willingness to set aside the very real and very deep resentment and bitterness caused by the grievous wrong inflicted on them by Spain over the years as well as as genuine readiness to enter into a new relationship of friendship and understanding. I expressed the hope that this willingness would be reciprocated by goodwill in both moral and practical ways. I warned that without such reciprocity the goodwill which Gibraltar offered could not only wither it would turn into a bitterness and separation greater even than that of the past. Some 18 months later the Lisbon Agreement was signed. Its essential practical features were the Spanish Government's decision to remove the restrictions and the agreement of the two Governments to start negotiations aimed at overcoming all the differences between them on Gibraltar. I shall come to this question of negotiations in a moment. My immediate point is the spirit in which the Lisbon Agreement was conceived and the words used in its text. The agreement speaks of a spirit of friendship of closer understanding; of practical cooperation on a mutually beneficial basis. After the outright hostility of previous years in the United Nations and elsewhere, it seemed as though perhaps partly because of the contacts established through the Strasbourg process we were at last about to enter into a new climate, one in which the two sides reserved their fundamental position but one in which goodwill was to be the prevailing wind. It was for this reason that the Leader of the Opposition and I, having in a joint communique expressed our reservations on the negotiations on sovereignty and recording our continuing faith in Britain, supported the Lisbon Agreement and looked

to the future with hope and confidence. We continued to support the agreement for the rest of that year and throughout 1981, a period during which the British Government declined to consider Spanish suggestions which amounted to re-negotiations or pre-negotiations. We continued to support it after the London agreement of the 8th of January 1982, and again up to the 8th of April, 1982, when a postponement was announced and yet again beyond the date and right up to the 21st June, 1982, when the Spanish Government requested a *deferent sine die*. We had been fully prepared to attend the Sintra talks and were due to leave Gibraltar for this purpose on the 22nd of June. Much has been said since the 21st of June on whether the Lisbon Agreement is dead, dying or very ill. When the last postponement was announced on the 21st of June, I issued a communique in which I stated, *inter alia*, that in agreement with the Leader of the Opposition I had requested through His Excellency the Governor an early meeting with the Foreign and Commonwealth Secretary in order that we might express our views to him on the situation which had arisen and in order to discuss with him our future attitude to the Lisbon agreement. That remains my position today. On the 29th of June it was stated in the House of Commons, following His Excellency the Governor's visit to London on the 23rd of June, that British Ministers looked forward to meeting me again in the near future. It is my understanding that the date for that meeting will be arranged soon and in the meantime I am able to announce formally that Lord Belstead, Minister of State at the Foreign and Commonwealth Office with responsibility for Gibraltar, will be arriving at Gibraltar on the 21st July for a 3-day visit. He will be accompanied by a senior official from the Foreign and Commonwealth Office and a private secretary. This visit will provide a first opportunity for the Leader of the Opposition and myself to discuss with the British Minister our future attitude to the Lisbon Agreement prior to a discussion with the Foreign Secretary himself. I cannot pre-empt that discussion but it would be wrong if I were not to comment in this debate on a number of points relating to the Lisbon Agreement. First of all, and in spite of whatever views people may hold about wanting the frontier to open or not to open, there can be no doubt that the Spanish Government's failure to remove the restrictions has added substantially to the resentment and disillusion of the people of Gibraltar. More materially a number of people have been financially affected, some for a second or third time by that failure. Indeed, a considerable amount of public money has been spent in preparation for an event which had been formally agreed upon at the highest level between the British and Spanish governments. One thing is clear, whatever may happen the Lisbon Agreement as such the people, the businessmen and the Government of Gibraltar can no longer place their trust in promises of the removal of the restrictions nor can they formulate their plans and policies on that basis. We must now re-shape our aim and in particular the economic aims on a different assumption. To do otherwise would be foolish and irresponsible. The question whether the Lisbon Agreement

should continue to have support is as I have said one which we will be discussing with British Government Ministers. It could be said that if we had supported it in the past it is only logical that we should do so in the future and that the failure of one side to honour its provision does not detract from the merits which we have hitherto seen in the agreement. But it would have to be made clear that if there is to be continued support for it, that support must continue to be based strictly on the terms of the agreement as it stands and not on any pre-conditions, re-negotiations, or a less understanding. I refer in particular to the words "negotiations aiming at overcoming all the differences between them on Gibraltar"; these are, of course, the words against which the Honourable Leader of the Opposition and I entered our reservations in April, 1980, and this provision of the agreement was of course fully safeguarded by the British Government's intention also recorded in the agreement to maintain fully its commitment to honour the freely and democratically expressed wishes of the people of Gibraltar, a commitment which has recently been re-stated in the most forthright and unmistakable terms by the Prime Minister herself. What we can never agree to and what the British Government has made clear it can never agree to, is to enter into the negotiation of differences with the pre-condition that the outcome of that negotiation should be pre-determined in advance. The essentials of our policy must therefore, in my view, continue to be to protect our right to determine our future and to work for the preservation of our economic stability. We must as soon as possible consult with the Secretary of State who said recently in Parliament that the British Government was keeping in close touch with the development of opinion in Gibraltar, review the whole position with him, ascertain his views and those of the Prime Minister on the situation and come to a conclusion. In doing so we shall not forget that as has happened in the past, it is by means of consultation and the reaching of a consensus with the British Government which is ultimately responsible for the conduct of Gibraltar's external affairs that our interests are best safeguarded. Sir, the final paragraph of the motion calls on the House to express its appreciation to Her Majesty's Government for upholding the right of the people of Gibraltar to determine their future. I take particular pleasure in this part of the motion for two reasons. First and most importantly because of the enormous reassurances that the people of Gibraltar have received from the latest evidence of the British Government's total resolve to respect their wishes. Secondly, on a more personal note, which I have always praised the British Government even during the most difficult times when others doubted and questioned, has once again been vindicated. Thirdly, finally the motion calls on the House to express its confidence in Her Majesty's Government's commitment to support and sustain the people of Gibraltar for as long as the restrictions make this necessary. The situation today is in this respect very similar to that which originally led the British Government

to adopt the policy of support and sustain. If the Spanish Government maintains its present position I for one can see no prospect of the removal of the restrictions in the foreseeable future. As in previous years this is not of our making nor can we be accused, as I have tried to show, of unreasonableness or intransigence. The question of Gibraltar's economy is of course another matter to be discussed first with Lord Belstead during his visit in 14 days' time and later again in London. Sir, I commend the motion to the House, and also for its endorsement and for the support of the views and aims of policy which I have put forward. The motion is co-sponsored by the Leader of the Opposition and its endorsement by the House will show the degree of support which our joint views enjoy among the elected members of this House and through them the people of Gibraltar as a whole. Sir, I commend the motion to the House.

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

HON P J ISOLA:

Mr Speaker, I have pleasure in supporting the motion which I am also sponsoring on behalf of the Democratic Party of British Gibraltar. We support the motion and we think it is opportune that the House should discuss the situation following the gross breach of the Lisbon Agreement on the part of the Spanish Government in its failure to fulfil the commitment solemnly given by that Government at Lisbon in April, 1980, and reiterated by no less a personage than the Prime Minister in Spain as recently as January 8th, 1982. These are facts, Mr Speaker, that we must face and which must put serious doubts on the possibility of anybody taking seriously solemn pledges given by a democratic government. As I understand it this doesn't happen in democratic countries, when people sign an agreement they comply with it, they fulfil it, and this hasn't happened and this is something that is bound to have a profound effect on the way we think and on the way we approach the matter. Mr Speaker, the question of the restrictions and the repressive measures taken by the Spanish Government against the people of Gibraltar is something that we should deplore not so much because we cannot live with them, not so much because it doesn't really matter to a lot of people today whether they are maintained or not, but because of the principle behind them, the principle of trying to subjugate a people by repressive measures. I was interested - or rather - I am interested, over the years, to reflect on how people now or a great number of people now don't want the frontier to be opened, don't want the restrictions to be lifted and this seems to have sort of permeated internationally, you know, the people of Gibraltar don't worry about it so much any more, but that is bad, that is not a good thing for Gibraltar, Mr Speaker, because the very basis of the support that we get internationally is that Spain is trying to beat

us down, trying to beat us into retreat, trying to beat us into subjugation. I was interested to read in a letter in The Times on Saturday, for example, a correspondence in The Times comparing the dreadful manner in which Argentina had dealt with their situation, comparing that with the civilised approach of the Spanish Government to the problem.

HON CHIEF MINISTER:

If the Honourable Member will give way. We sent a reply to that letter.

HON P J ISOLA:

I am sure that the Chief Minister has. With the civilised way in which the Spanish Government had approached the matter. Well, it is not civilised, Mr Speaker, in a democratic country or between democratic countries it is not civilised to have restrictions to have closed frontiers to search people the way that I understand people who leave Gibraltar and go to Spain now are searched, to restrict people, to humiliate people, that is not civilised. I agree it is slightly better than shooting at them and moving in. But, of course, war is more or less outlawed in the West and we would not expect that but this is the next step or the step lower down. We have to deplore the policy of restrictive and repressive measures. We have to deplore that as being an unnatural situation and not the sort of thing a civilised country would do and not a thing one would expect from a democracy, Mr Speaker. I think it is interesting to reflect that the restrictions or the total closure of the frontier which was done by the late General Franco, the Fascist government of Spain, the restrictions have now been in existence for a longer period under a democracy in Spain than it was under the dictatorship. I think Franco celebrates his death, or whatever it is one calls it, in November, it is seven years. The restrictions started in 1969 so we have had more time of restrictions and repression under a Spanish democratic government than we have had under Franco's dictatorship. And on top of that, Mr Speaker, they are our NATO allies. On top of that they are our NATO allies, but that frontier stays closed. I know a lot of people say it is a jolly good thing keep it closed, but let us not lose the armaments or the munitions in our armoury by saying keep it closed. No, it is wrong that it should be closed. The restriction should be lifted without any preconditions of any kind. There should be normal relations between Gibraltar and Spain as there is between Spain and France and Spain and Italy and everywhere else, why shouldn't there be? That is why we have to deplore a policy aimed at subjugating the people of Gibraltar. We will never submit to that Mr Speaker, we will never submit to that, and we will continue to affirm the democratic principle of self-determination which is applicable to the people of Gibraltar as it is to any other people in any other territory.

Sovereignty, of course, is not negotiable, Mr Speaker. It is the wish of the people of Gibraltar, expressed in the Referendum, expressed in a number of elections, one after the other, that we should have a British Gibraltar and if there is need to emphasise it more this wish has been highlighted very recently last year in the way that people in Gibraltar responded to the campaign to obtain full British citizenship for the people of Gibraltar. That should have been an indication to the Spanish Government of the permanence of the wishes of the people of Gibraltar in this matter. That, Mr Speaker, is the Gibraltar position and it is worth repeating every now and then and I think the British Government know it as well as anybody else. I know my Honourable friend Mr Bossano will jump up and say: "Well, if that is the case why did you agree to Lisbon?" Well, we agreed to Lisbon, Mr Speaker, for the reasons the Chief Minister has already pointed out. The Lisbon agreement was in fact a contradiction in terms. The Lisbon agreement permitted the Spanish Government to lay its claim to Gibraltar and permitted the British Government to say in the same agreement that they will respect the wishes of the people of Gibraltar, the preamble to the Constitution. And it was because of the preamble to the Constitution that we were prepared to accept the Lisbon agreement because it was to be left to us to make that decision and it is proper that it was the people of Gibraltar who make that decision. I have no doubt in my mind that our wishes would be respected and that of course has been reinforced enormously by two parties, the Spanish Government and the Prime Minister of Britain. The Spanish Government in the way they have resisted implementation. If the Lisbon agreement was such a good thing for Spain it would have been implemented, Mr Speaker, on the 1st of June of 1980, and we are now in July, 1982, and they have not implemented it. I am not saying the Lisbon agreement was a fine agreement, far from it, it is something that one accepted with very serious reservations, but there is another side of the coin and the other side of the coin is Spain. Spain was not happy with the Lisbon agreement, Spain didn't want it, Spain has rejected it in fact; Spain has killed it, if it is dead. I don't know whether it is dead, I think the Foreign Secretary of the United Kingdom has to decide whether it is dead or not, they are responsible for our foreign relations and we must never forget that either. If it is dead it is because the Spanish Government has killed it but the agreement, Mr Speaker couldn't have been so disastrous as my Honourable Friend has thought to point out in a number of public meetings when the Spanish Government continuously refused to implement it. But it is there and the foreign policy question is something that I just want to say a few words about and that is that our foreign relations are conducted by the British Government and we must be guided by them. We cannot tell the British Government how they should conduct our foreign relations. In the first place they have a little more experience in the matter than we do and they have people far better trained on the matter than we have and, secondly, if we are part of Britain, if we come under British

Sovereignty and that is our wish, then we must accept that the way our wishes are put forward, the way the foreign policy of Britain is put forward is a matter for the British Government. What we can insist on validly and what we have done and much more importantly what has been accepted, is that the British Government will go to the negotiating table, they will allow the Spaniards to talk about what they like, to make any proposals they like, but they will say: "Remember one thing there is - I shouldn't use the word - the Gibraltarian veto. It will be up to the people of Gibraltar to decide whether they want a change in their status." Subject to that reservation the British Government says: "In the interest of our relations with you, Spain, in the interests with our relations with Europe, America and so forth, we are prepared to talk and negotiate." It is not a situation we particularly like, Mr Speaker, but it is a situation which is practical and as long as our position is preserved I go along with it. I think I have to go along with it as a responsible elected leader of the people of Gibraltar. But, as we know, the frontier hasn't opened and we are back to square one and, Mr Speaker, we will be back to square one on a number of occasions because the Gibraltar problem, if one calls it that, is an intractable problem because you have a country that is not interested in anything else but acquiring sovereignty and you have a people who desire to stay British for ever and you have a protecting government or you have a mother government that insists on respecting the wishes of the people in accordance with the principles of the United Nations Charter and so the problem is here with us for a very considerable time and what we have to do in Gibraltar is to ensure that we have that support where it matters and that is in the Parliament of the United Kingdom. That support has manifested itself so well in the British Nationality Bill discussion which I think brought the support for Gibraltar to its peak in Parliament and since then there has been a slight falling off in sections of Parliament I have perceived, not because of Gibraltar but because of other international questions. On the one hand we have had, I think, the very significant bonus that the Prime Minister of England, no less a person, has said absolutely clearly that she would stand by the wishes of the people of Gibraltar and you have also had no less a person than the Prime Minister of England saying that there is no question of Spain going into the European community with a closed frontier in Gibraltar. That, Mr Speaker, for us is an enormous plus because all we have had in the last three years is that it would be inconceivable for Spain to join the EEC with a frontier closed. Now there has been a definite statement, there has been a definite hardening of attitude in the British Government following, I think, the Falklands dispute and following, I think, the profound effect that has had on senior British Ministers in the sense that they have realised that there comes a time that you have got to stand by principles and you have got to forget the advantages or disadvantages of standing by them and having made that decision with the Falklands they have found it, I think, so much easier to say publicly what

they feel about Gibraltar and to say publicly what of course, Mr Speaker, I am sure Honourable Members will realise, they have been saying privately for a considerable time. A number of members of Parliament have told me about the EEC on a private basis. Publicly they stuck to the line that it would be inconceivable for Spain to go in with a closed frontier, now they have said it publicly and now the Spanish government knows that situation. So on that side of the coin we have had this enormous plug, Mr Speaker, and I think we must be very reassured and heartened by it but, unfortunately, because the Falkland Islands dispute has brought about a profound split in the political spectrum of Britain, we do have a section of the Labour Party today and we have got to face these facts, led by Mr Wedgwood Benn and I do not like the way they are doing things, Mr Speaker, I think there is a need for us to start talking to them because I do not like Mr Wedgwood Benn saying and still says despite the number of lives that have been lost and so forth, saying: "Hand the Falklands over to the United Nations and let them sort it out," knowing as he does, he must do he is a clever man, he is backed up by research departments knowing as he does that the views in the General Assembly of the United Nations is that the Falkland Islands should be handed to Argentina. That, I think, is serious because he had done that deliberately and if he has done that in the case of the Falkland Islands it doesn't take much imagination to believe that he has the same policy with regard to Gibraltar and with Hong Kong and with any other dependent territory of the United Kingdom and that I think is serious and I think this is something that we should try and put right and I think Mr Benn and his militants should be approached by their equivalent in Gibraltar and by the more enlightened members of the House as well. This is the importance, Mr Speaker, of the all-Party approach. Mr Benn should not just have access from Mr Bossano or somebody else in the House, I think there should be access to both sides, Conservative, Labour, Extreme Left, from all Parties, I think they should see from Gibraltar the all-Party approach. It worked in the Nationality Bill and we must ensure that it continues to work and I think all members of the House should make an effort to have a meeting with Wedgwood Benn, we should all try and do this and try and get a commitment from him because British politics are very volatile at the moment, we do not know what could happen, we do not know whether between now and the general elections unemployment going up and up and up a Labour government could be returned to power dominated precisely by Mr Benn. It doesn't look like it at the moment but we don't know and if that happened, Mr Speaker, I think Gibraltar would be seriously at risk and therefore I think we have to now do something about that and I think we should invite Mr Benn, if necessary, to Gibraltar. We must look at every single section of Parliament because the support and the guarantee and the security of Gibraltar depends vitally on support from Parliament and, through Parliament, the British people. Obviously, Mr Speaker, one cannot be too pessimistic about that because the British people clearly supported the British Government in the way they stood on the Falkland Islands and it seems to me that the British

people would support them on Gibraltar and it seems to me that it would be a very unwise government that didn't support the people of Gibraltar but we take no risks. Mr Speaker, I have no hesitation in supporting the motion, I have no hesitation in publicly expressing the appreciation of my Party to Her Majesty's Government for upholding the rights to the people of Gibraltar. They have done it for a long time but now they have done it once more in a very specific and plain way. That must give us a lot of satisfaction and reassurance and I hope and I am sure that they will support and sustain the people of Gibraltar so long as the restrictions make this necessary and, of course, even without the restrictions they will stand by us in our political objectives. They have done this for many years and I have confidence they will do so in the future. Mr Speaker, we support the motion completely.

HON J BOSSANO:

Mr Speaker, seeing that the motion is co-sponsored by the Honourable and Learned the Chief Minister and the Honourable and Learned the Leader of the Opposition, the only thing that is really in doubt is whether I support the motion or not because I think it is axiomatic that the other 14 elected members of the House do and in fact I cannot support the motion as it stands and I will be moving an amendment to the motion. I hope that the amendment will not be one that the other two parties cannot accept. But before I go to explaining the amendment which really affects only one point which doesn't change the substance of what the motion is about but which is a fundamental point of policy as far as my party is concerned, I would like to deal with the reasoning behind the bringing of the motion by the Chief Minister and the Leader of the Opposition and with the reasoning about the Lisbon Agreement. Obviously, Mr Speaker, one has only got to go back to the November 1977 motion when the Chief Minister announced the possibility of a meeting with the Spanish Foreign Minister as this initiative put to them the views of the Gibraltarians directly as regards sovereignty, one has only got to go back to that motion and to all the motions that I have brought in this House since, to be in no doubt that some of the things that have been said by the Chief Minister and the Leader of the Opposition undoubtedly find an echo in the sentiments that I have expressed on so many occasions when I have been told that the feelings that I expressed were shared, the language that I used was not shared, that there was a question of diplomacy, there was a question of rocking the boat, there was a question of being the Nemesis of this House of Assembly with my constant harping on our future not being discussed, the decolonisation of Gibraltar not being a matter for Britain and Spain, sovereignty, 101 ways of trying to rephrase the same thing to make sure there were no loopholes. It seems to me notwithstanding the fact that I have always been willing to grant the Chief Minister and the Leader of the Opposition their greater experience in dealing with the problem since they were the ones who went off to the United Nations in 1963, I seem to have been less

surprised by the Spanish reaction than they were. The spirit that they have perceived since Lisbon I haven't perceived Mr Speaker. I have seen a consistent Spanish line in the latest announcement which can go back to what they heard in the United Nations by Señor Pinies the same theme being repeated for 15 years. I see no change and therefore I am not surprised that the Spaniards should not be willing to proceed with the implementation of the Lisbon agreement and would have been worried if they had been willing to proceed because I find it inconceivable that they can proceed other than on a basis that negotiations means what most people take it to mean and I cannot see how anybody can agree to negotiate something that is not negotiable. I can understand the Spaniards feeling on this situation that they have been led up the garden path by Britain. I don't know whether the British Government or British Officials or anybody else has intimated at any point in time that the situation on Gibraltar was more flexible than could be indicated publicly but I can tell the House one thing, before they are over confident about what may or may not have been said in respect of Gibraltar, I suggest to the House that they wait for the results of the Falklands enquiry to find out what sort of indications were being given to Argentina before the invasion took place which may become public once the inquiry is carried out. Because the Falklanders themselves as anybody in Gibraltar who watched that programme saw, were in no doubt at all that in spite of the fact that their wishes was supposed to be respected they were being prodded down a road they didn't want to go, Mr Speaker. The Lisbon agreement, we have been told by the Leader of the Opposition, was something we accepted reluctantly, it is not a situation which we particularly like but he thinks that as a responsible elected leader he has to go along with it. Well, I respect his view and I would ask him to respect my view that I as a responsible elected leader have to oppose it. We differ and I accept that he is acting responsibly by his criteria and I am acting responsibly by my criteria. I have found myself accused of acting irresponsibly more than once because I am in disagreement with what other people think, Mr Speaker, and I can assure the Honourable Member that on the dockyard closure I see my responsibility as preventing it and opposing it and fighting it and he may think that as a responsible elected leader he doesn't like it but he had to go along with it because how can he fight the British Government? If the British Government says it had to be done, it has to be done, he will try to persuade it, talk to it, convince it, but at the end of the day he cannot oppose it. Well, OK, I accept that point of view but it isn't a point of view that I share. Nor can I share, Mr Speaker, what he said that if we are under British Sovereignty foreign policy must be a matter for the UK Government and therefore it is up to the UK Government to decide who they discuss our sovereignty with.

HON P J ISOLA:

No, that is not what I said. The Honourable Member well knows

that. What I have said is that the British Government conduct our foreign policy as it is their foreign policy and what they give us is the guarantee that there will be no change in the status of Gibraltar without our consent, that is the guarantee. Subject to that guarantee I go along with the British Government conducting our foreign affairs obviously, otherwise it would be an independent government.

HON J BOSSANO:

No, Mr Speaker, It is not a question of an independent government, I have said conducting our foreign affairs including discussing sovereignty and the Honourable Member has said, no. Well, then he has got to tell the British Government that discussions on sovereignty are not foreign affairs and he has got to tell the British Government that just like they would not discuss the sovereignty of the Channel Islands with France or the Isle of Man with Ireland, they should not discuss the sovereignty of Gibraltar with Spain, discuss it or negotiate it, notwithstanding the fact that we have got this right to veto because the right to veto has been asserted in very clear cut terms by the present British Prime Minister. But it was put in question in equally clear-cut terms by the Foreign Affairs Committee Report; Mr Speaker, and we have to recognise that whilst Mrs Thatcher may have taken at this particular point in time and probably for as long as she is there, a very clear cut position on the rights of the Gibraltarians and the rights of the Falklanders and the rights of any other small territory and equating that with the principle stand of what democracy and self-determination is all about, not everybody else has and it isn't just Mr Benn. No, Mr Speaker, Mr Healy was asked quite categorically on television and it was put here on GBC, was the position of the Labour Party that if a British Colony said they wanted to stay a British Colony they would be told no and he said, yes, that is the position. Now that is serious and I agree entirely with my Honourable Friend that we cannot let those things go ignored, we cannot just simply say: "Well, it doesn't matter they are now in Opposition," because in fact there is as well as this very strong and clear-cut element coming through now from the Prime Minister's Office, more clearcut than anything we have ever had on Gibraltar, and I have no hesitation in praising Mrs Thatcher for the stand she has taken on this issue even though I do not like any of her other policies and I have no hesitation in condemning Mr Benn on this particular issue even though I may agree with him on other things. But it is wider than just the extreme left of the Labour Party. I can tell the House that it is something that certainly concerns me very much and that to the extent that I am able to influence the situation I have already moved on this matter. I have already raised the matter within the Labour Party and within the Trade Union Movement in the United Kingdom. There is a resolution which is still Labour Party policy carried in the Labour Party Conference in Brighton in 1969 moved by the delegate for Cheshire constituency Labour

Party and seconded by Roy Hughes MP as sponsored TGWU MP. That resolution states quite categorically that the right of self-determination of the people of Gibraltar are sacrosanct and that the British Government should be urged to give any material as well as political assistance that Gibraltar may require to sustain and a future independent of Spain. That resolution still is there and has not been changed and I have been already in touch with people within the Labour Party to ensure that they are reminded that this is still Labour Party policy and that if somebody wants to change Labour Party policy they have to go to a conference and then there has to be a public debate on the issue. I think that it is as the Honourable Member has said, a matter which must concern all of us. The only thing I can tell the House is that clearly I recognise that other members of the House have got greater personal contact in other areas of British politics and I have them inside the Trade Union Movement and inside the Labour Party and I certainly have used them already and will continue to use them to ensure that the right of the people of Gibraltar to determine their own future and the right not to be handed over to Spain against their wishes is fundamental policy to which every Labour MP should subscribe and that that policy should enjoy the full support of the British Trade Union Movement. It isn't something we can ignore and what we cannot ignore either, Mr Speaker, and perhaps the climate for not continuing to ignore it may be more propitious now than it has been in the past, is the question of Gibraltar's future status. Whether we like it or not there is one thing that we have to face and that is that a British Colony is a dirty word in the world and that Gibraltar will not be allowed by the rest of the world to be the sole remaining British Colony for evermore. I think Mrs Thatcher already has recognised the negative aspects of the colonial relationship in the case of the Falklands, in fact, by sending back the Governor as an administrator and the Argentinians themselves, I think, have already indicated an attempt to find a way out of the deadlock by saying that what they would never tolerate is the re-imposition of the colonial regime in the Falklands and therefore I think they have indicated that an escape door for them would be to say: "Well, we are prepared to stop claiming the Falklands once it stops being a Colony, but we will not tolerate the old re-imposition of the British Empire." That has been a statement made, which I myself have heard, by the newly appointed President when re-asserting the Argentinian claim to the Falklands he said: "We will not tolerate that Britain should re-impose her colonial regime on the Falklands," and left it there. It does not mean that they have shifted their position that sometimes when one doesn't want to say something then one leaves it unsaid in order to create a situation of possible movement and I think the British Government itself has recognised the difficulty it had in persuading other member nations in the United Nations of the legitimacy of her presence in the Falkland Islands when it is seen as a colonial situation or as pseudo colonial situation where the people are in fact being manipulated by the British Government because the people are not seen as taking a different

policy stand on foreign affairs on decolonialisation from the stand of the Foreign Office and one can understand that one can understand how an emerging nation, a nation that itself has come out of colonialism can ask itself: "Well, how can the leaders of a colonial people be in agreement with the officials of a colonising power. How can that happen? What do we have here, a South African situation where the South African regime picks the Prime Minister? Is that the situation we have here?" And that analysis, incorrect though it may be in Gibraltar, because nobody is obliged to vote for anybody in Gibraltar they can vote or not vote or vote for whoever they want. Nevertheless, one has got to be able to see things from the perspective of outsiders if one is going to be able to counteract them, Mr Speaker. I would remind the House of the motion that I brought in July, 1980, that Gibraltar's future status and Gibraltar's decolonialisation should not be a matter to be discussed with Spain under the Lisbon Agreement. That is my stand today and therefore I support fully the motion that talks about the determination of the people to resist the aim of policy of the Spanish Government because I consider part of that aim of policy the discussion of Gibraltar's future constitution under the terms of the Lisbon Agreement. That is part of the policy being adopted by Spain and that is the policy that the people of Gibraltar will not have. I welcome that we reiterate once again, as we have done on a number of occasions, that sovereignty is not a matter for negotiation with Spain. I can understand that the Spaniards would then turn round and say: "Well, how do you then propose to negotiate on all the differences between us if you tell me that one of the differences is not a matter for negotiation?" So I think, Mr Speaker, that from a Spanish perspective one can see how it is that they are unwilling to implement the Lisbon Agreement which the Honourable and Learned Leader of the Opposition says that if they don't want to implement it it must be that it must not be so good for them. It isn't that; the answer is to be found in the concept of perfidius Albion. What the Spaniards say to themselves is: "These people have kept me talking for 15 years, thinking together, talking together, telling me to woo the Gibraltarians. What is to stop them keeping me another 15 years after I have opened the frontier and once I have opened it there is no prospect of closing it. I may suspend the restrictions in practical political terms, how can they be re-imposed." They cannot be re-imposed. So what the Spaniards are saying is that if you cannot be trusted to deliver the goods what guarantees can you give me unofficially or whatever you like that when you are talking about negotiations you are serious about negotiations if it seems to me that you are committing yourselves to negotiating with me on something that you are committing yourself with the Gibraltarians is not negotiable. Of course there is a conflict between those two commitments and of course the Spaniards don't trust that they are going to get anything out from the Lisbon Agreement. That is why they don't want to implement it not because there is nothing in it for them because they are not convinced that they are going to get it once they deliver their side of it.

I am as opposed to the Lisbon Agreement today as I was the day it was announced, Mr Speaker, and I sincerely hope that it is now truly dead and buried. What does that mean about the prospects of the restrictions being lifted? I cannot go along with the view of the Chief Minister that there is no prospect now of the frontier opening for the foreseeable future if the Spanish attitude remains the same because then what he is saying is either that Mrs Thatcher doesn't mean what she says or that there is no prospect of Spain joining the EEC for the foreseeable future if their attitude on Gibraltar remains the same. Because if Mrs Thatcher has said that Spain will not go into the EEC without opening the frontier and if Spain is due to go into the EEC in 1984 or 1985 or 1986, well, that is still within the foreseeable future.

HON CHIEF MINISTER:

The question of the lifting of the restrictions has been on the mat and it has been in terms of June 1980, April 1982, June 1982. Certainly I did not have in mind the question of the EEC, I said in the foreseeable future outside the conditions of the EEC if Spain wants to and is admitted. Perhaps we may not be able to use that card because somebody else will oppose Spain going into the EEC but that is another matter.

HON J BOSSANO:

Mr Speaker, I would say that from a Gibraltar point of view what has happened is a good thing. I think it is preferable that we should be looking at the development of our economy with a closed frontier with the certainty that it will not open before they go into the EEC and with the time to prepare ourselves for the impact of its opening coincidental with the EEC and having obtained the necessary protection against the effect of their membership in the EEC and our membership in the EEC. From our point of view I think that is the best possible situation in which to find ourselves. The alternative situation where they open first and join the EEC afterwards would be one that would be extremely dangerous for us because there would already be a re-orientation of the economy of Gibraltar because of an open frontier, whether we like it or not, economic forces take their own road and competition would take its own road and new trade relationships would develop and then we would find that those trade relationships would have to suffer the impacts of Spanish EEC entry and we would be in a less protected position with which to re-negotiate special concessions for Gibraltar in the advent of Spanish entry. If we have on the other hand a closed frontier and we are developing our economy on the assumption that the frontier is going to be closed for the next two years, we have got certainty of that situation for two years and we have got two years in which to plan for the outcome of an opening and an opening with the terms of that

opening determined beforehand both as it affects Spain and as it affects us because of joint membership of the Common Market. I do not see this as a disaster, in fact, I would be totally hypocritical, Mr Speaker, if having described the potential economic effect of an opening as catastrophic for Gibraltar I then went on to say that the non opening was also catastrophic because then I would be saying that it is a catastrophe whichever way it goes, I am not saying that. I am totally convinced that the problems created by the possible closure of the dockyard would have been seriously aggravated by the problems created by an open frontier and therefore if the frontier is not opened the problems by definition are going to be less serious and I cannot go along with a view that Gibraltar has suffered a major economic set-back because the restrictions have not been lifted. What has happened, of course, is that the uncertainty created again and again has taken a heavy price of the economy of Gibraltar both in public and the private sector because people put off taking a decision because they said: "Well, suppose I invest and it does not materialise or suppose I don't invest and somebody else does and it does materialise then I am left out of the picture." That situation is the worst of all possible worlds and consequently it is better that we now know that the situation is that we cannot anticipate the restrictions being lifted prior to Spanish entry into the EEC and plan accordingly although that does not mean that we consider that Spain is right in having imposed the restrictions in the first place. What it does mean is that by not lifting them they are no longer putting up under economic duress that they were when they imposed it because we have adjusted to that economic duress and we would have had to adjust to the new environment and it is the half-hearted attempts that have made that adjustment because people were not sure whether it was going to happen or not that have been creating the level of uncertainty that the economy of Gibraltar has been suffering from for the last 18 months. Mr Speaker, perhaps I can now come to the point regarding the reason why my party cannot support the motion as it stands and the amendment that I propose to move. It refers to paragraph 4 and to the penultimate line of paragraph 4. I wish to move that the motion be amended by deleting the words "the restrictions make" in the penultimate line and by the insertion of the word "is" after the word "this" in the final line thereof. So that the motion would read: "and its confidence in Her Majesty's Government's commitment to support and sustain the people of Gibraltar for as long as this is necessary." I don't know whether the British Government has committed itself to support the people of Gibraltar for as long as it is necessary but I cannot accept, Mr Speaker, that the commitment of the British Government to supporting the people of Gibraltar ends with the restrictions whether they need continues after the restrictions have gone or not which is what we are saying in this motion. Indeed, as far as I am concerned and as far as my Party is concerned, the responsibility for the people of Gibraltar for sustaining and supporting them, for defending their standard of living, for defending their social services, rests with the British Government because how else can

we say we are British, Mr Speaker. If we are as British as anybody in the United Kingdom, if Britain is responsible for our foreign affairs, then the power that goes with being the administering authority in a Colony as far as my party is concerned, carries with it a responsibility, a responsibility let me say which both other parties in this House must believe in because they are the ones who put in the 1976 memorandum to Roy Hattersley the concept of a permanent economic link. A permanent economic link isn't something that disappears when the restrictions go, a permanent economic link is something that is there when the people need it and therefore I say that there has to be a commitment and if there isn't a commitment then we will have to amend to take the commitment out and say that we have confidence that the British Government will support and sustain the people of Gibraltar for as long as this is necessary, if there is no such commitment. As far as I am concerned the commitment is implicit in the nature of our relationship with the United Kingdom. As far as I am concerned if Gibraltar, for example, had had the restrictions lifted had had the dockyard closed, had had no viable alternative, had had mass unemployment had had the worst scenario painted in the PEIDA study, if that had been there, there had been no restrictions, can we say that there would have been no commitment on the British Government's part to support and sustain the economy of Gibraltar and its people? We cannot say that. Why did the White Paper of July say that the British Government recognises that alternative means of sustaining the economy of Gibraltar would be found because the dockyard was possibly under threat of closure, because of the restrictions? Does it say in the White Paper because of the restrictions? No, it does not say that, it is a Defence White Paper. I believe that the nature of our relationship is what determines that commitment. I believe that if the British Government considers that it has the right to say to the Government of Gibraltar that aid funds can only be used in certain ways, that the level of borrowing cannot exceed a certain ceiling, then it follows logically from that that they have got to have some sort of responsibility for providing a safety net for what they will not allow the Gibraltar Government the freedom to do itself. It follows from that logically. Mr Speaker, I can either give way and allow some other member to interrupt me to see whether I should amend the thing further myself because once I sit down I cannot move any other amendment or else I would suggest that if the amendment that I have proposed is not acceptable because the only thing that I can see being used in argument against it, I cannot see how any member of this House can disagree with the philosophy of that amendment but I can see that it might be argued that the motion would then say we have confidence in a commitment that has not been given. I am saying that for me that commitment is implicit in our relationship but it may be that instead of commitment we should say something else.

HON CHIEF MINISTER:

If the Honourable Member will give way. I may wish to speak on

the amendment if he proposes it. It is something which I fully anticipated. I am only trying to interrupt him on this and that is that the way the motion is framed refers to a policy of the British Government and this House cannot alter the policies of the British Government by a resolution and therefore if you take that away and say: "Her Majesty's Government's commitment to support and sustain the people of Gibraltar for as long as it is necessary", there is no such commitment. There may be an underlying commitment in the Constitution that ultimately Britain is responsible for the finances of Gibraltar but the commitment of support and sustain came out of the restrictions. That was the reaction in the impotence of the British Government to retaliate, that was the way they helped the people of Gibraltar in the light of the restrictions. For that reason alone whether one thinks that they ought to support and sustain us after the opening of the frontier, is another matter. We could add words perhaps of what Gibraltar expects but to alter it like that is to unilaterally alter a commitment which was taken by the British Government on certain terms. That is why in these terms, really, it is unacceptable. I will not say any more on that. We might well argue out some additional words on this matter but I do not think that it would reflect the British Government's commitment to support and sustain the people of Gibraltar for as long as this is necessary because they have never committed themselves to that. It may be that we expect them to, that is a different matter, but their commitment now is as long as the restrictions continue and I think it is fair to say that they anticipated that it would take a long time because all the distortions of the economy would have to be righted before we went back to what I consider other things being equal, the ideal situation prior to the restrictions when Gibraltar did get some slight help here and there but did not have to depend on the support and sustain policy because it managed its affairs in such a way that we didn't have to go to London asking for money. That is how it was up to 1969 and therefore these words really alter the commitment of the British Government and they will say: "We never said that", and that is true. If you want to say "and hopes that this support and sustain will continue once the frontier is open that is another matter, we can discuss that, but we cannot unilaterally alter the commitment of the British Government by resolving something different ourselves because it would be getting into their commitment and they will say: "We never committed ourselves to that". We cannot alter unilaterally a statement of policy which the British Government will say: "Yes, we have committed ourselves to support and sustain you for as long as the restrictions made this necessary." That is what they have said. But if we say something else they will say no and then this resolution will not be a resolution of this House but a resolution of what the British Government should do and that is a different matter. I knew there would be difficulties about that and I also thought that perhaps we might come to some sort of formula but I am afraid that it would have to be by adding words rather than by altering them because the commitment is there as is given by the British Government. Let it be also quite clear that there can also be a mistaken interpretation. We are

having it now, we were given a \$4m tranche and we have been told we can only use it for this or the other but between friends we can argue the way in which the commitment is. The other thing which the Honourable Member has not mentioned today but has mentioned in other context which I entirely agree is desirable but it is not the reality, the British Government commitment to maintain or rather that the support and sustain policy that were not even related to the restrictions should be such that would keep the standard of living of the people of Gibraltar as it is today, that is something the Honourable Member says from time to time. I would subscribe to that but that is not what the British Government is telling us and that is why we cannot say that we hope that they will continue committing themselves to something they haven't committed themselves. Perhaps the Hon Member can think about that before putting the amendment. Perhaps we might go on with other business and see whether over lunch time we can find words that will make it unanimous. I am quite prepared to give way to the Leader of the Opposition but I hope he sees the matter in the way I have described it.

HON P J ISOLA:

Mr Speaker, when the Honourable Mr Bossano started speaking I thought we were going to be presented with an amendment that was going to be very difficult to accept and I think the amendment that he is proposing is a comparatively minor amendment but I agree with the Chief Minister that here we are reciting the commitment that the British Government have given to the people of Gibraltar and it is important to think in the circumstances in which it was given and that is why I think it is important to preserve it in the way it was given because it was given in the circumstances of a siege and they said: "We will see that that siege does not succeed" and the support and sustain words used were in that context. Support and sustain you, Gibraltar, for so long as the restrictions make this necessary. That was actual commitment. Personally, I don't mind putting there "for so long as this is necessary" but we are then changing we are then misrepresenting the actual commitment and I think that is a mistake, you shouldn't do that, and also, Mr Speaker, if we change the commitment or change what the words of the commitment were you could get a situation where the British Government could come to the conclusion that it was no longer necessary and the restrictions could still be there. It is two ways, if you are talking of the British Government's commitment and you say "for so long as this is necessary" it is the British Government that has got to decide that. I would commend to the Hon Member to approach this by reciting the actual commitment. There is no doubt in my mind and I am sure there is no doubt in anybody's mind and I am sure there is no doubt in the British Government's mind that quite apart from this specific commitment given in the face of a blockade and of an attack, that quite apart from that, they have as the Colonial power, I think the Honourable Member has said it, obligations to a dependent territory which the British Government, I don't

think they have to be told by the United Nations of that obligation but in fact the United Nations charter, it is there in the charter, they have an obligation of responsibility for the social, moral and economic well-being of the people, it is there and it is a charter that the British Government has accepted. So that commitment is there anyway. I think, Mr Speaker, if this is going to have value in other places, including Whitehall, I think we must be careful not to say something representing the British Government's commitment which they have not in fact given. If they had in fact said that, I am not against the amendment but I feel that the wording used is in fact the specific wording used by the British Government and I think if we are going to represent what they said then we must represent it accurately. That is the only comment I would make.

HON CHIEF MINISTER:

The answer might be perhaps to add a fifth paragraph saying what we hope they should do.

HON P J ISOLA:

Yes, we could have a fifth paragraph expressing the confidence of the House that Her Majesty's Government will discharge her obligations to the people of Gibraltar in all their aspects including the economic, social and political well-being.

MR SPEAKER:

I think I have given an opportunity for the matter to be aired and it is now up to the Honourable Mr Bossano to decide what he wishes to do.

HON J BOSSANO:

Given that I have given way, Mr Speaker, in coming back I want to say that I don't think the point has been understood. I realise the question of the commitment, I have mentioned it already, but what I am saying is that as far as that commitment is concerned we don't accept the interpretation put on it, the analysis put on it, for example, by the Chief Minister. We do not accept that it is true to say that we have been having a higher level aid post the closed frontier to prior the closed frontier because the figures do not support it because 1963, for example, the budget speech of the Financial Secretary at the time which I happen to have here spoke of a booming tourism and figures that were higher than anticipated and also of a level of aid from Commonwealth Development and Welfare Funds greater than what we have today at what the money was worth then. The last thing I want to do at this point in time, Mr Speaker, is to have a motion quarrelling with the British Government but the reality of it is that in the last 18 months the level of aid has been

below what it was in 1972 and the restrictions are still there, at 1972 in cash terms that is, never mind accounting for inflation. I cannot accept, Mr Speaker, that in fact the standard of living that the people of Gibraltar enjoy today is the result of the sustain and support policy unless we are saying that we have got parity in Gibraltar because of the support and sustain policy because we had support and sustain policy in 1971 when we had somebody earning £10 a week and that same person earns £100 a week today and there has not been in the intervening 8 years or 10 years a thousand fold increase in prices. Today we have a much higher standard of living because the British Government accepted paying in the Dockyard which is not part of support and sustain policy otherwise they should not be closing it, and we have to be clear what we are talking about, they accepted paying in the dockyard what they should have been paying all along. I have to come back to that, Mr Speaker, because up to 1972 wages in Gibraltar in the dockyard were 45% of UK wages and up to 1974 they were 55% of UK wages and by 1976 they got to 85% of UK wages and in 1978, 4 years ago, they got to 100% and we are told now after they have been in force for four years at 100% that our prices are 10% higher than UK. Well, if they are 10% higher than they are in UK now, how much lower were they when we were getting paid 45% of UK rates. And then if we are to be totally honest, Mr Speaker, the amount of money that was being saved in wages in the dockyard was in excess of the amount of aid that the British Government was giving the Gibraltar Government through ODA in 1972. If they had been paying what they should have been paying the Gibraltar Government would have had more money coming into our economy than they were getting through aid. But we are not here to quarrel with the British Government, we are here to say how grateful we are for the stand that they are taking. I think the House can see that my analysis of the aid that we have been getting is not in fact the same as other people's and that I can actually quantify it and I can actually give examples year by year of what that aid has meant. I cannot accept, Mr Speaker, that if I am saying that there is a constitutional obligation, a political obligation on the administering power of the colony of Gibraltar to sustain and support that economy at its present standard of living by definition because if you have allowed the standard of living to fall you are not supporting it, then a commitment to do so because of the restrictions is really as far as I am concerned, a re-affirmation of an obligation that there is already, restrictions or no restrictions. The British Government may never have accepted the obligation on the terms that I am putting it but than I am putting it because I am elected by the people of Gibraltar and part of my job, as well as having to discuss internal matters in Gibraltar, is to represent to the administering power of the Colony what the people of Gibraltar consider to be the administering powers responsibility and therefore my approach is because that Gibraltar is not independent,

because Gibraltar is not free and the Gibraltar Government is not free to do as it pleases with their land, with the assets with the resources, with the trade of Gibraltar, the responsibility for ensuring that the standard of living of Gibraltar is at least comparable with that of the United Kingdom lies with the United Kingdom Government. We don't expect them to keep us in luxury but we can expect them to maintain an equivalent standard of living in Gibraltar as part of their constitutional responsibility or else to accept that the Gibraltar Government must be given a completely free hand to do what it likes economically and to run the economy how it wishes and then the responsibility for the standard of living is rested fairly and squarely on the Government in office. But how can I come to this House and say to the Government "Why are you not doing this?" and they will tell me: "Well, we are not doing this because the British Government says we cannot change the Merchant Shipping Act," and then I say "Why are you not doing that?" and they say: "We are not doing that because we don't want to borrow more money" and I say: "Why are you not doing the other thing?" and they say: "Because the ODA says that the money cannot be used for Housing." Well then at the end of the day I must say, "Well, I will talk to the person that allows or disallows and there is the responsibility and I am saying because we are so grateful to the British Government that we should say that we have every confidence, we take away the word "commitment", but we say in our motion that we, the House of Assembly has confidence that Her Majesty's Government will support the people of Gibraltar even though they haven't said it. Let us take away the fact that they have said it because they haven't said it. But since we are all so sure that we have got this 100% backing from the British Government there is nothing to stop us saying that we are confident that they will support the people of Gibraltar whenever it is necessary, restrictions or no restrictions. That doesn't undo the commitment to do it when the restrictions are there, it just says that we are confident that if the restrictions go and the need continues the British Government will not pull out of its responsibilities simply because it has not given a commitment or simply because the restrictions are not there. I cannot see that that in any way imposes an obligation on the British Government that they have not been prepared to accept publicly, it is an obligation that I feel it to be there any way but all that it says, Mr Speaker, is that we in our trust of the spirited defence of the people of Gibraltar given by the British Government carry that trust to its logical conclusion. And it is no good saying that the people of Gibraltar will never be handed over to Spain against their wishes and let the people of Gibraltar fall below the standard of living in Spain, obviously, it is no good saying that. I think it is logical to think that the British Government will be prepared and I think that had already been hinted by the Chief Minister when he says we are back to 1969 and we are back to the situation with the British Government supporting Gibraltar back to 1969. What

What I am saying is that if, for example, the restrictions had been removed and the effect would be a total disaster for the economy of Gibraltar would we not have been back to 1969 without restrictions and would we not have expected then and be confident then that the British Government would have come forward with the necessary aid? Well, then why cannot we say it if we were confident that that would have happened.

HON CHIEF MINISTER:

Before the Hon Member proposes an amendment may I suggest that we postpone this debate, carry on with the rest of the business and perhaps over lunch we could agree on perhaps a fifth paragraph expressing confidence that the British Government will in any case continue to support and sustain Gibraltar because paragraph (4) is a statement of the present commitment, that will extend that commitment whatever happens or something like that. I think it might be desirable if we could have a situation where all members are in agreement and if a little consultation over lunch can help that I think we will have gained something much better and then we can go on with the debate.

HON P J ISOLA:

We can have an amendment by way of an additional paragraph.

MR SPEAKER:

Fair enough. I think that we have got to an impasse which can be easily solved if members are given an opportunity to consult each other and if the Honourable Mover is agreeable we will adjourn this debate until a subsequent time today. We will now proceed with the next motion.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I have the honour to move the motion standing in my name in the Order Paper which proposes the amendment of the Second Schedule of the Licensing and Fees Ordinance by replacing item 3 of that Schedule with the item which has been circulated to the Members of the House. I take it Mr Speaker, as it is so long, that you do not wish me to read the whole thing.

MR SPEAKER:

There is no need to read the text of the motion since it has been circulated with the Agenda and we are all aware of it.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Thank you, sir. Sir, early this year the Foreign and Commonwealth Office advised the Gibraltar Government that Her Majesty's Government had decided that the fees payable for naturalisation and registration under the British Nationality Act should be increased from 1st April, 1982, and that in future fees should be payable when the application was made rather than as at present when the application is approved. The fee for the grant of naturalisation is to be increased from £150 to £200 and that for registration under the British Nationality Act by a like amount. The registration under other sections of the Act will be increased from £50 to £70. The fee for the registration of a minor child is to be increased from £25 to £35 but only one fee of £35 will be charged for one or other minors of the same family provided the applications are received at the same time. No date has been inserted in the Notice before the House. The Government is opposed in principle to retrospective changes in legislation and with your permission I propose that the notice should come into force on 1st August 1982. Sir, I commend the motion to the House. Mr Speaker then put the question in the terms of the motion moved by the Honourable the Financial and Development Secretary.

HON P J ISOLA:

Sir, this motion relates to naturalisation and registration under the British Nationality Act of 1948 and as this is only in fact to be enforced for the rest of the year, really for a very short time, we agree and we support the motion but in supporting the motion I would like to say something about the new British Nationality Act and about the paragraph there, I think it is section 6, which allows the people of Gibraltar to register as British citizens. We did raise the question on this in the House in the last twelve months, asking for assurances that the fees for registration as British Citizens should be kept down to an absolute minimum and I would like at this stage Mr Speaker, to ask the Financial and Development Secretary when he replies if he can give us any information on this and what steps the Government is taking to ensure that the people of Gibraltar will not be heavily penalised financially for seeking registration as British Citizens. I think that is a very important matter a very important matter for Gibraltar and for people here and when I asked a question in the House some time ago I know that I was told that negotiations were going on and so forth; I would like, if possible, to have some information on this. We do feel that there should be the minimum possible fee because it is not a question of individuals registering as British citizens under particular sections of the British Act, people who are entitled by way of residence, spread all

over England or in the Commonwealth somewhere, this is the entitlement of a whole people to register as British citizens and I think special regard should be had to that and to the rather substantial revenue that will come from mass registration. I hope that is being taken seriously into account and that the negotiations on this point are going well.

MR SPEAKER:

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

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, Sir, I regret that I am not able to give the Honourable and Learned the Leader of the Opposition an up-to-date account of how negotiations stand on the question of fees under Section 6 of the new British Nationality Act but I will draw the attention of the Deputy Governor who is responsible for the negotiations on this to his remarks and see whether we cannot get some information to the House at a later meeting.

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

BILLS

FIRST AND SECOND READING

THE PORT (AMENDMENT) ORDINANCE 1982

HON A J. CANEPA:

Mr Speaker, I beg to move that a Bill for an Ordinance to amend the Port Ordinance (Chapter 127) 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 House will recall that the Port Study recommended, inter alia, that measures should be taken to strengthen the powers of the Captain of the Port and, indeed, of the Port Department in order to manage and control the Port more effectively. The Government accepted these recommendations since it considered that

the effective management of the Port area is an essential aspect of Gibraltar's economic progress and trading reputation. The Bill now before the House is in fact intended accordingly to strengthen the powers of the Port Department to this end. The first measure being taken is that of increase in the penalties for breaches of the Ordinance and of the Port Rules. These at present involve, generally, a maximum penalty of a £50 fine which in real terms means that where there is a conviction the Court will normally be likely to impose a penalty in the order of £15 or £20. This today, Mr Speaker, is not an adequate sanction. The bill therefore generally increases maximum permissible penalties to a £500 fine. The power to impose imprisonment for offences against rules in appropriate cases is also increased from 4 to 6 months. At the same time, Sir, the Government recognises that the main unusual purpose of having criminal sections under this Ordinance is to secure the efficient administration of the Port and while there may occasionally be more serious breaches of the law which might warrant going to court and the imposition of heavier penalties, normally what the Port authorities will be concerned with is to remedy promptly and effectively minor infringements which may be regarded as being quasi criminal in nature. In practice the purpose may often be defeated or may lose its point if it is necessary to take the time and trouble of going to court. That process may take up to three months, the cost and the effect on the court's workload are also reasons why it is better to avoid having to resort to this if at all possible. The Bill, Sir, therefore contains provisions in clause 9 which are modelled closely on existing provisions in the Traffic Ordinance, for the imposition of summary penalty for a limited class of offence. These are offences which are committed in respect of vessels, vehicles, traders, containers, machinery and other article and thing by being parked or left or by obstructing roads, quays, wharves or other areas on land in the Port area. The Captain of the Port and Port officials duly authorised by him and in practice this would be his deputy, the Marine Officer, the Dock Controller and his two assistants and Boarding Officers together with Police officers will have power to serve notices on persons committing such offences. A person so served will have the option of either paying to the Magistrates' Court within the next seven days a fixed penalty of £20 and if he does so no prosecution will be taken against him and no conviction will be entered against him or because he will not be bound to accept the fixed penalty procedure if he does not wish to do so, in every such case he would be entitled to a full summary trial and adjudication if he so wished. At present, Sir, the Port Ordinance gives powers to remove, to detain and where appropriate to sell and recover expenses in respect of wrecks and obstructions in the Port waters. Clause 5 of the Bill now before the House seeks to extend these powers to vessels, vehicles, trailers and the other articles and things that are left in the Port area on land in contravention of offences to which the fixed penalty

procedure that I have already referred to applies. This is seen as a desirable corollary to the fixed penalty procedure and again is intended to increase the effective powers of the Captain of the Port. The power of removal, detention and sale would be exercisable only under the direction of the Captain of the Port himself and it would not be exercisable unless a 24 hours warning notice has first been given to the owner or to the person in charge of the thing, if he can be found, or unless 48 hours have elapsed in any other case. The power of sale will not be exercised for 7 days so that the owner or person in charge will first have the opportunity to recover it after payment of removal expenses. Finally, Mr Speaker, the opportunity is being taken to make it clear under the Ordinance that mooring berthing fees may be levied in respect of vessels that moor alongside and so use Government Port facilities in Gibraltar. It is the intention of the Government to take early steps to levy boat owners who so use the auxiliary Camber for the facility enjoyed by them for some years now. 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 A J HAYNES:

Mr Speaker, as the Honourable Member will no doubt be aware we welcome this Bill and in fact as the Honourable Member will remember a question was asked in the House relating to these Rules and the production of them. We have a feeling that one of the things that can be done now at the Port regardless of ODA is an effort to clear it up and we feel that this will provide the necessary machinery in order to effect that. The only minor query I have with regard to the draft bill is that the powers are all vested in the Captain of the Port. Since we have had some debate on this, there are proposals for a different structure for the Port and this may result in the introduction of a Port Manager or a statutory Port Authority, I would like the Minister to consider expanding the powers of the Captain of the Port to include the other potential bodies who might be in charge of the Port at any given time. The other reason for proposing this is that we would like to encourage Government to look into the restructuring of the Port in conjunction with the recommendations of the Port Study. As to the assessment of the fines recommended in the Port Study I was wondering whether these in fact are on the low side. I would have thought that a hard, sharp blow would be more effective than what could be considered a minor penalty and since we can calculate the square foot value of any given area of the jetties to be way in excess of £500, perhaps the

penalty should reflect to some extent the value of the land being occupied by unwanted trailers and vehicles. I think that, Mr Speaker, is all I have to say.

MR SPEAKER:

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

HON A J CANEPA:

Sir, if I may deal with the second point made by the Honourable Mr Haynes, and I welcome the fact that the Opposition support the Bill. The attitude that we are going to take in the Government and here I am very much in the hands of the Attorney-General, really, but the attitude that we on the political side tend to take is that where a state of affairs has perhaps continued for a number of years such as is the case here where the maximum fine at present is only £50, we feel in the Government that to move in the opposite direction in a very draconian manner is not good government. You have to introduce tougher measures gradually and reasonably and if they are seen to be inadequate after a period of time then, perhaps, you reassess the position but to move from a situation where the maximum fine is only £50 and in practice that would be £15 or £20 and where in fact we have not been able in the past to go to Court very often and secure convictions, to now move to in one fell swoop, as it were, in an opposite direction and have an arrangement whereby fines would be higher in fact than the maximum of £500, we feel that that is not good government and I think the fact that we are giving people the opportunity for the fixed penalty which again perhaps £20 is not very high but again should it prove to be ineffective that could be increased but I think we want to feel our way on this one. Although the powers are vested with the Captain of the Port I did mention that other officials authorised by him would also have these powers and the officials that will in fact be so duly authorised do keep in mind the modest restructuring of the structure of the organisation of the Port that we are going to carry out. I think the Honourable Member will recall that there were three alternative recommendations in respect of the new Port Structure. One was that we should set up a statutory Port Authority which the Government was not prepared to go along with and having regard to the experience with GBC I would fear to move in that direction. Secondly, that a Cargo Division within the Port Department be set up. It was considered that the increase in staff required in having a cargo division would be almost equivalent to setting up a statutory port authority and, additionally, there were recommendations about the Port Department having to purchase a considerable plant and equipment and we honestly felt that it would not be cost effective. We thought that if we

tightened up in other areas which were the subject of recommendation of the consultants, we could achieve the objectives without having to have recourse to these much more radical measures so we opted for the third alternative which was that of employing a Port Manager, whom we are calling a Dock Controller, so there would be a Dock Controller and two assistants. At the moment the appointment is delayed because of a dispute with ACTSS and I would ask the Honourable Member sitting to the left of Mr Haynes that perhaps the matter should be treated with a certain degree of urgency and whether a modus vivendi could be found with the Government because we can get by up to a point because as I said the powers would be vested in the Captain of the Port, in his Deputy and in the Boarding Officers but in fact the Dock Controller and his two assistants are required at the Container Berth and also outside warehouses and that is where in fact most stuff tends to be left around giving the Port a generally untidy and unkept area. The Boarding Officers in fact they are more involved with ships which do tend to leave stuff around but to a lesser extent and that is why we want the Boarding Officers also to be duly authorised but it is the Dock Controller and his assistants that we really see as being the key officials in this respect. Additionally, there is the police as well but only as a last resort but really neither the Captain of the Port nor his No 2 have the time to be going around the Port levying such penalties. This is the way that we are approaching the matter and I think it will work; I think that other than in the areas where there is a great deal of work going on, I think the situation in the Port has improved in the last twelve months. I make it my business to keep an eye on this. His Excellency the Governor is also very active in this direction, he is an honorary inspector of the Public Works Department in this respect, and he keeps tabs on the Captain of the Port and I think other than as I say in the Generating Station and in other areas where there is work going on the whole thing is improved. The fact that the Port Office has now been located at North Mole I think will also be a great help and once the move is completed in fact whenever the Honourable Member wishes he is authorised by me to get in touch with the Captain of the Port and he is welcome to visit the new Port offices. He will see how much better they are and what in fact a generally good job has been done for what I always regard as the Cinderella service of the Government. I am glad to see that they are going to have decent offices to work in which we have got at a reasonable price. I hope that all these moves together will ensure that over the next year or so the Honourable Member will be able to agree that the situation does improve.

HON ATTORNEY GENERAL

Mr Speaker, Can I just say something about the question of

the size of the penalty. I think this is an area which is not really and truly a criminal area, it is really more of a quasi criminal area, the point being to secure efficient administration rather than to punish major criminal offences. I agree with the Honourable Minister, I think that one wants to move cautiously when increasing a level of penalty that had hitherto been at \$50, one wants to keep it in proportion. The other factor here, of course, is that we are retaining criminal offences for the more serious cases but we are moving into the area of fixed penalties which I see as being again an administrative type of sanction and that is being done by Port Department officials rather than being enforced by the Police, I would see the police as not being involved unless it was, as the Minister said, a last resort. There again that is the reason for keeping the penalties initially experimental in the sense that it is the first time that it is being done. That is the reason for keeping the penalties at a reasonably low level. One would hope that the true force of the section would be not so much the size of the penalty but the fact that it can be administered quickly and, if you like, in a salutary way. If there were a lot of contraventions one would inspect that there may be a greater number of these notices issued at the outset and the thing will settle down but generally I would favour not having too heavy a penalty for contraventions of this nature.

HON A J CANEPA:

Mr Speaker, 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 A J CANEPA:

Mr Speaker, I beg to move that the Committee Stage and Third Reading of the Bill be taken at a later stage in these proceedings and if such should be the case, today.

This was agreed to.

THE TRADE LICENSING (AMENDMENT) ORDINANCE 1982

HON A J CANEPA:

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

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

Second Reading

HON A J CANEPA:

Sir, I have the honour to move that the Bill should now be read a second time. This Bill is intended to give effect to two amendments. In the first place clause 2 of the Bill extends the grounds under section 16 of the principal Ordinance for the refusal of an application by empowering the Trade Licensing Authority to refuse to grant a licence in respect of any premises if there is an existing licence in respect of such premises. The amendment has been recommended by the Trade Licensing Authority itself for experience has shown that there is a growing practice for persons to use their premises to ostensibly accommodate more than one business entity when this is clearly impossible. Clause 3 of the Bill amends the Second Schedule to the principal Ordinance by adding the item "shipping agencies." For some time now, Sir, local shipping agencies have expressed concern about the possibility of non-resident firms or individuals servicing vessels coming into Gibraltar and in this context the Government considers that it is appropriate for the request of the Gibraltar Shipping Association to be met. I acceded to that request some time ago and I informed them that when an opportunity arose that we had to bring an amendment to the Trade Licensing Ordinance in respect of some other matter to the House I would take the opportunity of moving that amendment. Clause 3 of the Bill also provides consequentially, Mr Speaker, that shipping agencies which are already operating in Gibraltar when the amendment comes into force should be entitled to a licence. They would have, nevertheless, to make application to the Trade Licensing Authority within a period of three months after the amendment has been passed by the House but if they can satisfy the authority that in fact they had been operating in Gibraltar previously I think it would be a mere formality. Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Mr Speaker, we agree to this Bill subject to some observations. There are really two main amendments to the Bill as the Honourable mover has said and I would like to say something about each amendment. The question of making a ground for refusal of granting a licence in respect

of particular premises where there is already a licence in respect of those premises I would go along with subject to one point. I think there is a need for an amendment in this sort of circumstances.

HON A J CANEPA:

What are you saying, that there is or there is not a need for an amendment?

HON P J ISOLA:

There is a need for some further amendment in the sort of circumstances I am going to describe. We accept that if there is a licence in respect of one set of premises there shouldn't be another one there but, Mr Speaker, the practicalities of it requires that this maybe necessary for a period of time. Let me explain. Anybody who has got a licence to trade it has to be in respect of premises. If I have premises which I give up to my Landlord because I have to because he is exercising his rights or because he has paid me to give it up or I have come to a settlement with him and I have got a licence in those premises which I have not given to him, that licence will stay fixed to those premises until I can transfer it to other premises and then I have got to apply. But the landlord or whoever has come in, the landlord or somebody else, is going to carry on a different business there and he applies for a trade licence. I don't think he should be prejudiced in that respect so there should be some provision under which the licensing authority can say, "you may have a licence for these premises even though there is already an existing licence but not operational provided that existing licence is moved away within the term of say 12 months or 6 months people cannot move quickly. I think that is important because in practical terms that happens and I think it would be unfair on somebody who has probably paid money to acquire an empty premises, finding himself not being able to get a licence because there is still one existing which hasn't been moved out. I think you are talking of a period of six or twelve months, an overlap. I don't know whether some condition could be put there at the Committee Stage to remedy that because I am afraid that the Licensing Committee will find itself with somebody who has just acquired premises applying for a licence and the Licensing Committee will be told: "Yes, but there is already one in existence there." I have had this experience where it happened and I said that we had actually taken over and that the other party would be moving his licence out. I think that is a practical thing, I think you need a transition period but we agree with the principle that you shouldn't have two licences, people shouldn't be able to just have a licence attaching to premises which they are not using, they should have everything in one licence. On shipping agencies we agree with regulating this business.

The only query I put is, is there a need for definition of what a shipping agency is because I think we have problems if we do not have a definition of a shipping agency. It seems to me a very vague expression. It may be that there is some clear definition of what is or what is not a shipping agency. That I leave to the Government to decide whether there should not be some sort of definition of what is a shipping agency. Possibly at a later stage it can be brought in if it is found to be producing difficulties but on the first point, Mr Speaker, I think there should be an amendment otherwise I think practical problems are going to arise for people who have paid valuable consideration for the acquisition of premises and they find that the other guy has not moved the licence out and they cannot do anything about it.

HON CHIEF MINISTER:

I think it is a good point but perhaps we could look at it from the other point of view. If licences are given in respect of trade in respect of certain premises and the tenant and licensee loses the premises as a result of a situation, should it not be the other way about, should not the protection be to the licence holder to hold the licence without premises for a while until he finds something else?

HON P J ISOLA:

That would meet the situation and I would suggest a period of time. There is another section that says if you don't use a licence for a year the Licensing Authority can give notice that they are going to cancel it. I am thinking of a period of 12 months, I think that would probably be the right time.

HON CHIEF MINISTER:

Once the premises are not there the licence should stand in cold storage until they have other premises and the other premises released rather than the other way.

HON ATTORNEY GENERAL:

Just one point, Mr Speaker. I see the practical need to cover the matter which concerns the Honourable Leader of the Opposition. I would just mention that the principle which the Bill contains is a discretionary one, in other words the Trade Licensing Authority does not have to decline to issue a licence because there is already a licence in respect of the premises. It is a ground on which it may

decline but is not obliged to. I think the matter needs to be looked at by all means but one thing that occurs to me at once is that it may be possible for the Trade Licensing Authority itself administratively to achieve the dovetailing, if you like, that has been referred to rather than to have to have a specific provision in the Bill to cover the point but, certainly, I will look at it from a technical point of view before the Committee Stage. The other point which was referred to was the desirability or otherwise of defining the term shipping agency". I think there are two approaches to defining terms in legislation. The principal Ordinance already, if I can use the word, avoids definitions. If one looks at the second schedule it talks of road contracting which is a word which may have grey areas on the boundaries and in this amendment I have adopted that approach at keeping it simple. I think my own advice to the Government would be to leave it that way for the time being as the Honourable and Learned Leader of the Opposition did contemplate as one possibility, leave it that way and if it works in practice well and good, if there are any difficulties we could look at them at a later stage.

HON A J HAYNES:

Mr Speaker I have a point which I would like to clarify and this concerns whether where there is already an existing licence in respect of premises the Trade Licensing Authority will be given the right to refuse the grant of a further licence. This means, for instance, that where in a business which requires no premises to speak of or arranges to piggy-back with another business so to speak, using their office facilities, they will not be allowed to have a licence and if so, what is the purpose then of this power for the licensing authority?

MR SPEAKER:

Perhaps this is a matter which can be dealt with at Committee Stage.

HON A J CANEPA:

I can explain that, Mr Speaker, when I exercise my right of reply.

MR SPEAKER:

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

HON A J CANEPA:

That was the point that I had intended to deal with, Mr Speaker. The Honourable the Attorney-General will look into the point of the practical difficulties mentioned by Mr Isola but I don't think that with the present Trade Licensing Authority that will in fact prove to be a problem having regard to the fact that they have discretionary powers because the rationale behind this amendment, the reason why they have recommended that the amendment be enacted, is that it has, I am sorry to say, become the practice in the case of certain solicitors offices to use that address on the application form in respect of six or seven applications. It is clear that from solicitors offices 6 or 7 different businesses cannot be run. The intention is to get at that and therefore because we are giving them discretionary powers I am sure that the present authority will view the practical difficulties mentioned by the Honourable Mr Isola in the manner that he would wish it to be considered. However, whether the Attorney General advises that in fact we should guard against the eventuality I don't know, that is a matter for him to advise me but that is the rationale behind it. Mr Speaker, 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 A J CANEPA:

Sir, I beg to give notice that Committee Stage and Third Reading of the Bill should be taken later in these proceedings, perhaps later on today.

This was agreed to.

THE TRAFFIC (AMENDMENT) ORDINANCE 1982

HON H J ZAMMITT:

Mr Speaker, Sir, I have the honour to move that a Bill for an Ordinance to amend the Traffic Ordinance (Chapter 154) 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 have the Honour to move that the Bill

be read a second time. Mr Speaker, under our existing Traffic legislation the Police may lawfully remove vehicles from roads if they have broken down or have been abandoned or constitute a likely danger of obstruction. After removal a vehicle may be detained and the expenses involved by the Police can be recovered from the owner. If necessary the vehicle can be sold or otherwise disposed of and the expense recouped from the disposal. In practice it is not always possible to remove a likely danger or obstruction. There are cases, for example, where a vehicle may be left in a time controlled parking place for a lengthy period of time in contravention of the time requirement, although there may be difficulty in proving obstruction of any particular user. The Bill would allow regulations to be made for the removal of vehicles who commit such parking offences whether or not they cause danger or obstruction. This is a common remedy in other countries and with the increasing pressure on parking resources in Gibraltar it is considered to be desirable for effective traffic control to be able to take such steps. Mr Speaker, in saying this I would like to stress that the Government would not wish to exercise such powers unnecessarily. For this reason, in drafting the proposed amendment, it has limited the power to remove and detain vehicles that commit parking offences only to offences committed in areas in which traffic signs have been erected warning people that there is a liability of removal. The Bill also curtails the existing power of removal in cases of likely danger or obstruction and in the same way a sign will have to be erected in the vicinity before a vehicle can be removed on such grounds. In cases of actual danger or obstruction of course it will be essential for the power of removal whether or not a warning is displayed. Mr Speaker, I think one of the main issues that one should look at is in the controversy that has invariably been brought up in this House over the parking-ticket situation. It was easy to see that if a vehicle was causing obstruction, and I mean obstruction in the true sense of obstruction and not likely to cause obstruction or even using a parking place which can be legally interpreted as causing obstruction by preventing another vehicle from using that part of the land, I refer to genuine obstruction cases where people indiscriminately park their cars in given areas where a physical traffic obstruction takes place. In these circumstances I have always argued that 1,000 parking tickets could be served upon it and the obstruction still remains and it serves no purpose whatsoever to serve upon it a parking ticket or for that matter a number of parking tickets if the obstruction continues. We are seeking powers to remove those vehicles from the road so that that obstruction is cleared. Secondly, of course, even under the old legislation there was the question of cars which could constitute a danger and I think it is fair to say it was timely on something that didn't occur that the Police should have had the powers to have removed a vehicle if anything suspicious was to be considered whether or not it was constituting an

obstruction so I think I will not elaborate on that particular issue any longer. The main point is that we are not giving the Commissioner of Police a blank cheque to remove vehicles which are parked in a no-parking area but that do not cause an unnecessary physical obstruction, we are not giving him the power to remove that vehicle impound it and charge the owner unless there is a sign displayed in the area. One can think of some that spring to mind for instance the area leading to St. Bernard's Hospital at the bottom of Governor's Street, it could well be an area, I am not saying it is going to be, but it could well be an area which could well be a tow-away area. Similarly in some areas where no waiting as opposed to no parking has been declared the essence of the no-waiting being because a vehicle in that area would cause obstruction could also be considered but I would also emphasise that Council of Ministers will want to ratify the areas suggested by the Commissioner of Police as tow-away areas. Mr Speaker, I cannot enlarge much more on that and 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 A T LODIO:

Mr Speaker from time to time I have come to this House with a number of question on traffic and parking. My interest on this subject must be well known by now, I personally welcome any measure aimed at controlling the traffic problem and at controlling the parking problem. However, in welcoming this Bill I have to make some reservations. There are some things which are not clear in my mind on this Bill. For example, I get the impression that this could very easily turn into a situation where only cars that are actually moving are going to be towed away, a car which parks on a double yellow line which is a no waiting line. Cars that are obstructing will be towed away and it would be easier to move those cars than cars that are left abandoned and derelict and we haven't quite finished tackling that problem. I think that problem is just as important if not more important than the problem of cars that obstruct. We must remember that these cars that are abandoned not only make Gibraltar untidy but they are a danger. There is the danger of children playing inside these cars, there is always a residue of petrol in the tanks and that could well be a serious accident. I am very concerned that that kind of obstruction be dealt with and I think we should start and finish the job. In Gibraltar we always seem to start a job and we never seem to finish what we have started. One of my worries is that with this

brand new piece of legislation the Police are going to go all out on cars that obstruct, cars that are left on a double yellow line and they get towed away and the owner of course who does use this car will pay the fine whereas the owner of a car that has seen better days and is left in a parking place for week after week with flat tyres, with a flat battery, he will be getting away with it and of course the reason why he will be getting away with it is because he is going to leave it where there is no time limit for parking. I notice the Minister said where there is a timed controlled parking place but are there any such time controlled parking places in Gibraltar? When I asked a question in this House about time controlled parking I was told that it was useless because merely moving a car six inches one way or the other meant that the car has moved. My idea in bringing the question to the House was at the time the garages that take on cars and pay a pittance for them hoping to sell them to some Moroccan who will dismember them and take the pieces to Morocco, who park these cars on the highway and leave them there sine die. If there were time controlled parking spaces all these cars would have to be moved and if they were not moved within a specified time they could be fined and then the garage would see that it would be more profitable for them to take on a car and possibly give the new buyer £50 for his car but at the same time throw it away, dispose of it straight away and not make use of the public highway as part of his open-air garage. Another thing that begs the question here is, have the Police got a pound that is big enough to house all these cars which will now be moved because they are in breach because on past occasions I have been told that the Police pound is too small. I don't know whether there has been some reclamation on the Police pound and we now have a bigger pound than we had before. Another question which springs to mind is who will actually do the towing away, will it be the Police or will it be a private concern as is the case at the moment with derelict vehicles? These are all questions which I hope that in due course will be answered. As I said originally, any legislation which aims at trying to solve this problem of parking and traffic I will welcome most thoroughly but again as in other pieces of legislation that are brought before this House, if the legislation is not going to be enforced then we might as well not bring the legislation in at all. I remember the legislation on vehicles that are abandoned inside private property, private areas. I brought a question to this House about some machinery and plant that had been abandoned in the property behind the Olive Grove and I was told in an answer to the question that unless there was a complaint from the public nothing could be done. Surely, if it is an offence it is an offence whether the public complain or not. Mr Speaker, I hope that during the course of the debate we will get an answer to these questions and we support the Bill wholeheartedly.

HON CHIEF MINISTER:

Mr Speaker, I would like to deal with one aspect of the matters raised by the Honourable Member because through another machinery of Government I keep a monthly check on the question of derelict cars. That is proceeding well in that last year over 1,000 cars were removed and dropped down the chute. So far this year, up to the end of June 445 cars have gone down the chute. The impetus cannot be kept up because the bulk have been disposed of in the first 1,000 and now it is a question of the police looking for them in highways and so on and any car that has been parked for too long a time is either because it has not been spotted which is not likely or because the new contractor who gets so much per car removed has not been able to remove it. We have problems with the skip at the beginning but the present contractor has got all the machinery possible and as he gets paid by result he is anxious at finding as many cars as possible to put down the chute. The Police are very anxious to get rid of these derelict cars except that in some cases they have to advertise in the Gazette in order to have the powers to do it and that takes time but otherwise the cars are being removed as fast as the contractor can do it and the contractor is anxious to do it as fast as he can because he gets paid for it.

HON A T LODDO:

If the Honourable Member will give way. He said there is a new contractor. Could I ask the Honourable Chief Minister was this put out to tender?

HON CHIEF MINISTER:

Oh, yes of course. I think the question of cost in this case has nothing to do with tenders but I was asked by somebody who had not got the tender why they had not got the tender and I found out that cost was not so important what was important was the element of machinery available for the quick removal of the cars. The successful tenderer has got the equipment.

HON ATTORNEY GENERAL:

Mr Speaker, there are two aspects of this Bill I would like to refer to. I would like to recap on the objects of the Bill. The law already, as the Honourable Minister has explained, the law already empowers the Police to remove cars which are either derelict or abandoned or which obstruct. The real point of this Bill is to extend that

power to enable them to move vehicles that commit parking offences. I would like to explain that a little more. A vehicle which parks may not be an obstruction but may cause real inconvenience, in other words, if you have an area where vehicles are allowed to park for a certain time or on payment of a certain rate, the object of that could be to make sure that there is a flow of traffic for the convenience of users of vehicles in town or in a given area passing in and out of that car park and so it may not be practical to prove in court that a vehicle which overstayed its welcome, as it were, was an obstruction and yet there may still be good reason why you wish to tow it away. Of course the Government has already made it very clear that it doesn't favour extending these powers unduly and so it is limited by the requirement that there must be a notice as the Minister said. I think it is also worth stressing the point that the same requirement is now introduced where it doesn't exist at the moment, namely, in relation to vehicles which are likely to obstruct or likely to be dangerous. On the point of whether there is any time controlled car parks it seems to me that that word has two meanings and I think the sense in which it is used in relation to this Bill is really in the case where you may have to pay to use a car park, it is time controlled in that sense and of course at the moment there aren't really any such car parks but that was the context in which the word was in fact used. I would like to speak briefly to one other point and that is the question of clearing derelict vehicles. There is one area in which at a technical level at least there have been proposals made to the Government to widen the powers to clear them because there is some technical difficulty in clearing away a vehicle if you cannot find the owner and therefore we will be submitting to Government for its consideration draft regulations to enable them to go ahead and do that even though the owner cannot be found. That is not a matter which requires amendment to the Ordinance as such as there are already powers in the Ordinance to make such regulations.

HON A J HAYNES:

Whilst reiterating my Honourable Colleague and Friend's statement that we welcome any measures which will improve the traffic problem of Gibraltar and we appreciate that this bill goes some way towards meeting the problems that we face today, we do feel that it is in one sense lopsided. Not on a drafting sense but this in traffic terms is the stick and it is a stick without the carrot. The carrot that goes with this stick should be a multi-storey car park in town and we feel that if you are going to come down like a ton of bricks on a car that is on a double yellow line and we have to go along with such measures

we nevertheless feel that if you can move on the drafting you can move on the building and you ought to by now have produced multi-storey car parks. I think that a great deal of the traffic problem which you are trying to meet and which we are all so interested in combatting is caused by the lack of parking space, obviously, it is not just wilful bad driving, it is the scarcity of car parking spaces that makes drivers go on to the yellow line. We agree that that is not in the interests of motorists and traffic as a whole in Gibraltar and therefore we support this Bill, but you must give them somewhere to park. We do need a multi-storey car park and the timing of this Bill therefore should be related to the introduction of a multi-storey car park. On the other point raised by my friend which is the physical limitations of the Police car pound. We would note that Government has made no reference to immobilising cars rather than throwing them away. I would like to know whether anyone has done any research on the advisability of immobilising cars which is done infact in smaller communities, islands and so forth. The effect is that where a car is obstructing or being a nuisance rather along the lines that the Attorney General points out where it is not clearly an obstruction but certainly it is not wanted. In those circumstances perhaps it would be more appropriate to immobilise the car and this is apparently done now with this sort of long armed clamp on the wheel and make the car totally unusable and it requires the driver to go to the Police Station or wherever, get the police to accompany him, unlock the car and pay the bill whereas for the Police all it requires is a simple exercise. It is not a costly operation which involves maintenance of tow-away trucks, car pound etc etc. I would like to know whether the Government has enquired into the advisability of these measures which would not be as harsh as throwing the car away and would therefore allow the Commissioner a certain latitude in which he can use his discretion and hopefully not hit everybody with a sledgehammer. As I say, we feel there is an element of perhaps cynicism in introducing a measure preventing you from parking without giving you somewhere to park and we would like to stress our concern at the delay incurred in providing Gibraltar with a multi-storey car park. Mr Speaker, on the point of drafting I wonder whether the Minister will have any information to give on when the drafting for EEC regulations will be brought in. My friend has been pressing on this side for measures of this sort for about two years now. The query I had on another matter is the specified fixed charges for the removal of vehicles or classes of vehicle under regulation made under the subsection. What sort of specified fixed charges are we going to find under the regulations? This lack of information obviously because the regulations haven't yet been made makes it difficult from our point of view to judge on the advisability of the immobilising arm as opposed to removal and I would like the Attorney General to consider if he has not already done

so, the advantages in certain circumstances of immobilising a car rather than towing it away. But most of all we don't want to see a stick without the carrot. If we are presented with the stick which is the necessary legislative measures, we would also like the carrot which gives the motorist somewhere to put his car and that therefore is the qualified measure of our response.

HON H J ZAMMITT:

Mr Speaker, Sir, first and foremost, in answer to the Honourable Mr Tony Loddio, the abandoned car situation has been explained by the Honourable and Learned the Attorney General. Yes, of course the Police will be towing away abandoned cars and people who abandon cars will find themselves very quickly with a bill to face. For long parking it is a different matter. That will have to be looked at very carefully. On the question of whether the car pound is large enough, well, Mr Speaker, I don't think the Police intend to go round picking up 100 cars a day. We have two pounds, actually, one down at the dockyard which the Police have which can take about 50 to 60 vehicles and therefore we expect that if a car is removed as a result of an obstruction the owner would go and pick it up probably within the same day otherwise it would become a garage. The Police will be towing away, they have a landrover adapted to tow away and I would say to the Honourable Mr Andrew Haynes that it is much cheaper to have a tow-away vehicle than having the immobilisation of vehicles which again would not serve the purpose we are trying to achieve and that is to move vehicles that are causing obstruction. If we immobilise a vehicle which is causing obstruction it does nothing to the good flow of traffic. The other thing that will happen, in the near future, Mr Speaker, is the MOT test that will be introduced in Gibraltar. As Honourable Members probably know the building is out to tender and that will keep off the road an enormous amount of dilapidated vehicles. On the question of specified fixed charges the Honourable Mr Andrew Haynes is right, it is by way of regulation, we are just getting the powers here and the fixed charge to be agreed to of course is a matter for the Government to consider. Mr Speaker, as to the multi-storey car park well yes, we would like to see a multi-storey car park but I am sorry to say that I didn't hear him say that it would also have solar heating on it. Mr Speaker, I think the Bill has been well received and I hope it does go through with everybody's approval.

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

HON H J ZAMMITT:

Mr Speaker, 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 and if members agree, today.

This was agreed to.

THE HOUSE RECESSED AT 1.20 pm

THE HOUSE RESUMED AT 3.40 pm

THE CONTROL OF EMPLOYMENT (AMENDMENT) ORDINANCE 1982

HON MAJOR F J DELLIPIANI:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Control of Employment Ordinance (Chapter 33) 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, as can be seen from the explanatory memorandum this Bill has two purposes. Section 9 of the Ordinance as it now stands gives the right of appeal to any person aggrieved by the refusal of the Director of Labour and Social Security to grant unemployment permits, to extend the validity of a permit or to revoke a permit granted to an employer in respect of a non-residential employee. I don't think I need to take up this House's valuable time in explaining who is a non-resident for the purposes of the Ordinance. As permits are applied for and granted to the employer and not to the employee, it has been assumed ever since the Ordinance was enacted in 1955, that the right of appeal lies only with the employer and such very few appeals as there have been during these 27 years have all been made by the prospective employer. As the result of a recent case I was advised that the Ordinance gave the right of appeal to any person and that this has to be construed in a wide context and consequently includes an employee. This could not have been the intention when the Ordinance was first conceived as employment permits are applied for and granted to the employer. The purpose of clause 3 of the Bill is therefore to establish that only the employer has the right of appeal against refusal of the Director to grant or to extend the validity of an employment permit. The advice I have received is that there is nothing wrong with limiting such right to the employer in the case of refusal of a permit

and that whilst it may be rather hard in the case of refusal to extend, it can be argued that the employee knows at the outset how long the permit extends and has no entitlement to anything beyond that. However, in the case of a proposed revocation of a permit, a power which the Director has but which has never been exercised over the years, it is felt that the worker should be entitled to appeal and this is being provided for in clause 2. These two clauses, 2 and 3, introduce nothing new except what I have explained. As for clause 4 of the Bill, this merely increases to a realistic level the maximum penalties for contraventions of the Ordinance such as employing a non-resident without a permit as the present maximum of £25 hardly constitutes a deterrent any more. 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 J. BOSSANO:

Mr Speaker, I cannot agree that all that there is in the Bill is what there appears to be and I shall be moving a number of amendments at the Committee Stage. I do not accept the limitation on the rights of the employee to appeal against a refusal to grant a permit or to extend the validity of a permit. I accept what the Honourable Member has said that in practice it is invariably the employer that makes the appeal and I agree that it is preferable that the right of appeal should be limited to employers and employees and not to any person that they are aggrieved so I certainly support what I consider to be an improvement in the legislation in limiting that right to the employer and the employee but I cannot agree that the employer should have greater grounds for appeal than the employee and I would put it to the Minister that in fact although this legislation puts a limit on the length of time for which a work permit can be granted, it has to be remembered that a contract of employment can be made for an indefinite period notwithstanding the fact that the labour department will put a limitation on that contract of 12 months and therefore it doesn't follow that a person entering into a contract of employment with an indefinite period does not expect to work for an indefinite period because there is the contractual obligation that he has with his employer irrespective of the fact that the law requires renewal every 12 months. Another point that I think needs to be taken into account is the fact that as regards the unfair dismissal provisions in the Regulation of Wages Ordinance, refusal to renew a contract

that has been in force for 12 months constitutes a dismissal and it has to be understood that the fact that we have got two pieces of legislation enacted at different times in practice puts the employer in a situation where on the one hand he can be obliged to dismiss his employee by virtue of the Labour Department refusing to extend the permit and on the other hand he exposes himself to action from his employee for an unfair dismissal refusing to renew his contract. The third point is, of course, that the rights of employees who have contributed to social insurance and who want to remain in Gibraltar to seek employment and obtain unemployment benefit whilst they are seeking employment, has been tested once in court and the employee has established that right so again it cannot be argued that the man doesn't anticipate going to work beyond the twelve month period just because the law in fact requires that the contract should be effectively renewable every 12 months, which I support and which I think is a good thing because it gives the Government greater control over the number of people who are here, where they are working and so on and I think they should control that. But I cannot see that there are any compelling reasons why less opportunity for appeal should be given to the employee than to the employer. A third point is that while I take fully the position of the Minister that the law provides for the issue of a permit to the employer and not to the employee, in practice there is one factor in the operation of this system which is considered to be unfair by employees and that is that whereas at the moment we have got a quota system - this is not of direct relevance but it might be a matter which would come in an appeal, Mr Speaker, in the refusal to grant a permit, for example, which a worker cannot have at the moment and I am just saying it in that context although I think it is a matter that should be pursued, perhaps in the Manpower Planning Committee - and that is that a person who is working in Gibraltar in a particular trade can move within that trade whereas from the employer's point of view the restriction on the permit is within the quota system by industry. So if we have got a situation, for example, where you have got a carpenter in the construction industry, from the point of view of the employer he can be employed provided there are sufficient vacant permits for construction workers but the number for construction workers is irrespective of the trade that they exercise. On the other hand if the man wants to work as a carpenter within the Public Works, he finds that that is only possible if the public sector quota has got vacant permits. But if he is going to move, for example, from a carpenter to a chargehand because there is a promotion on his building site, he finds that although he is still within the industry, he is still within the quota, he cannot move because the basis of the permit is that it is given to him on the trade that he has. There is a logic which is accepted by the Trade Union Movement and that is that we could otherwise create a serious loophole in that although the permits are by industry you could have a situation where somebody

comes in because there are umpteen vacancies for electricians gets a permit as an electrician, and then subsequently changes jobs to being a labourer although there are unemployed labourers but he has got in through the back door. It is understood that it is for that reason but there could be occasions when people are being prevented from bettering themselves, from moving up the promotion ladder in their place of employment because of this limitation and I think in the refusal of a grant for a permit that sort of argument should be an argument that a workman should be able to put to a tribunal in defence of his being granted a work permit. This would not allow it because in fact he would only be able to appeal against the revocation of his existing permit in his existing trade. I think there are a number of grounds which I can think of hypothetical situations, which this would preclude and I do not believe it is the Government's intention to preclude that. I imagine that the main reason for this is to tidy up the situation where the law says "any persons aggrieved" and, presumably, that could theoretically be the next door neighbour. The other point that I want to make, where I propose to move a number of amendments, is in relation to the increase in the penalty. Let me say that I support fully the increase in the penalty, it is in fact a commitment that the Minister for Labour gave me in the motion that I brought to the House a few months ago and I am glad that he has been so quick in bringing the amending legislation to the House and I welcome this. But I think that quite frankly perhaps in trying to do a very quick job in bringing the legislation to the House he may have overlooked the extent to which the penalty is being applied because it says "any offence" and there are a number of offences in the Ordinance one of which, for example, is that if somebody loses his job he has to go to the Labour Department and hand in his work permit the next working day. I think it is nonsense to say that if a workman is not the next day in the Labour Department he gets fined £500 and I cannot imagine that that was the intention. Nor am I sure, in fact, that it is a maximum of £500 because as I read in Clause 18 in the principal ordinance, it says that any person guilty of an offence against this ordinance for which no penalty is provided shall be liable on summary conviction to a fine of £25 which will now be £500 but not to a fine of no more than £500.

HON ATTORNEY GENERAL:

"If the Honourable Member will give way. I can assure him that the words "liable to" mean that the court has a discretion up to the maximum of £500. More than that, in practice would be most unusual.

HON J BOSSANO:

I am grateful for that clarification Mr Speaker, certainly

I was having nightmares of all my Moroccan members turning up with fines of £500 in my office. I think it would be a useful exercise if we took this opportunity, perhaps, and I will let the Minister have a copy of my amendments I think at this stage so that he gives some thought to it, I think it would be useful if we took the opportunity of amending, in the principal ordinance, clauses 10 and 12. I can tell the House that this requirement in the law to my knowledge has never been implemented and I do not subscribe to the idea of keeping legislation on the statute book which we make no effort to enforce which is flagrantly being ignored by everybody. I think to have a law that says it is an offence to do this and now instead of the fine being £25 it is £500 and everybody is still going to be doing it and nobody is going to be taken to court or pressured about it is bad for the House of Assembly and is bad in fact for the sort of protection for the labour force that the Control of Employment Ordinance is intended to give. Therefore what I am suggesting is that we should be more realistic in the fine that we provide in section 10 where it says that it is an offence for an employer not to return to the Labour Exchange the permit of a workman within seven days of his having terminated employment. I don't think it is realistic that he should do it within seven days and I am suggesting that it should be a month which I think is more realistic than we keep the new clause by the Minister saying that he can be fined up to £500. But I think that we should give people a month and then that we should enforce the law rather than give him a week and allow them to take a year to do it which is what is happening nowadays. Similarly, I suggest that in the case of somebody who has been absent from work for seven working days, that also should be a month. It is totally unrealistic to say, and I am trying to say that that clause has been completely ignored by employers and that the Department has made no effort to enforce it because it would have created untold difficulties. The Government itself, let me say, ignores it completely because there are more than one occasion, and this is particularly so with the immigrant workers, with Moroccan workers in particular, and they disappear from Gibraltar and you hear about them one or two weeks later. According to the law, the employer is supposed to sack the person within three days of his having disappeared for seven days. If that happened I can assure the House that we would have created enormous difficulties quite apart from whether that is a valid reason under the provisions for unfair dismissal which is another issue which I haven't looked at but certainly one can well imagine the aggravation that that would cause. I think it is desirable that employers should put a limit to how long somebody is away from work and that the law should require them to do it if they don't do it of their own volition. Therefore I am suggesting just like we give the employer a month to hand in the work permit when somebody enters his employment, we should also require the employer to notify the department if a workman has been away for a month, because one of the

difficulties in the Manpower Planning Committee effectively is that at any one point in time it is very difficult to have realistic and accurate information as to how many of the work permits that there are in issue actually represent people continuing to be physically present in Gibraltar and part of the labour force. Therefore I think these sections of the Ordinance need to be tightened up in order to provide the Manpower Planning Committee with more accurate information so that we know that if there are 1,000 permits in issue there are 1,000 people in employment. With the present situation we do not know that because nobody is enforcing the law. I am suggesting that this is a useful opportunity to make the requirements more realistic than they are today and then for the department to go ahead and ensure that they are enforced. The third amendment which is the one that I made reference to before, where a workman has to hand in the ID card, the next working day, well, obviously, Mr Speaker, it just never happens. It is unknown to me that any workman has ever gone to the employment exchange within 24 hours of losing his job and therefore I am suggesting that that particular clause should be amended in two ways. (1) by extending the period from one day to a fortnight and by putting a limitation in that particular case of retaining the maximum fine of £25. I think that we cannot realistically say that the maximum fine for not handing in the Identity Card is £500. It seems all out of proportion to the nature of the offence so I am suggesting that the present penalty of £25 should be retained for this particular offence, that the time limit given to somebody to hand in the I/D Card should be extended from one day to a fortnight and that the department should, in fact, ensure that it is being complied with. I would pass on the amendment, Mr Speaker, so that the Government can have some time to look at them before we come to the Committee Stage.

MR SPEAKER:

The Committee Stage of this Bill is not being taken at this meeting. Does the mover wish to reply?

HON MAJOR F J DELLIPIANI:

Sir, I have noted carefully what the Hon Mr Bossano has said. Some of the amendment that he is suggesting make sense to me because in practice we do not comply with some of the laws because we find it convenient for both sides not to do so but I am loath at this moment to change the question of the right of appeal to employee on the initial contract because the contract is still only an intention of employment and we can get into all kinds of problems if the Labour Department quite legitimately has the right to say to that employer; "I am sorry, but your contract cannot be accepted", and three months later the

employer appeals for it and what do we do, do we force that employer who has already got somebody else to re-employ that chap or do we sue the Director of Labour for using the power wrongly? On the initial contract I think I must maintain my attitude that the right of appeal must be from the employer only who is the one who is anxious to get the permit for his employee.

HON J BOSSANO:

Will the Honourable Member give way. This will be on new entrants. I can see the point as far as new entrants are concerned, Mr Speaker.

HON MAJOR F J DELLAPIANI:

The initial reaction from an employer who is applying for a permit and the Director finding grounds to refuse to grant that permit the right of appeal should only be for the employer because that was only an intention of employment and not a contract itself. I will consider the question of the extension because as we all know most companies do not specify any time limit but the Department of Labour in an effort to control the labour, puts a time limit to it. I think there is a valid reason for that time limit in that within that time limit we might have a situation where we have local people willing to step in and do those jobs. I grant you that because there is the element of the social benefit for unemployment, the man has the right to be registered as unemployed and to get paid the unemployment benefit but I think we could get ourselves into a situation where we have Gibraltarians coming in into the different trades which are not normally taken now by Gibraltarians and because we cannot revoke those permits at all we are going to have Gibraltarians unemployed and aliens in employment. The Government are not taking the right from the employee to get his unemployment benefit or to try and move into another industry if there is a quota because even as a carpenter you still work for the construction trade and if he wants to move from the construction trade if there are permits for a carpenter in the hotel business in the maintenance you can still move with that trade to the hotel industry. I think we have to have that right because we are not thinking of the present, we are thinking of the future. I am trying to protect the Gibraltarians in the future and I do not want to spell it out. I sympathise with the way Mr Bossano is thinking but we must have that right. We are not taking the right of unemployment benefit from the employee and I think that Mr Bossano knows that we have been very lenient in the time that they check in, etc. I think there is a fairly good relationship with the Moroccan labour force and I think we do listen to the complaints of our foreign workers. I think my Department does try and cooperate fully with

the Union and with the Moroccan workers as industrials but ultimately we have to think that there might be a situation when we might have to cancel all foreign permits.

HON J BOSSANO:

If the Hon Member will give way. We are not doing anything to change that provision, what I am saying is that the person if in fact he could not do what he says he wants to do there would be no point in providing a right of appeal. I am not saying let us take away the right of the Labour Department to cancel a permit or to revoke it or to refuse to grant it. All I am saying is that just like you have got the right to refuse to grant it, the person who is refused should have the right to appeal against that decision because it might be a mistake that he has been refused the permit or it might be a personal vendetta, it could be one hundred and one things. I am not saying that we should amend the legislation to take away the right of the department not to grant the permit, all I am saying is that if you can give an employer the right to appeal against the department, why shouldn't the employee have the same right as the employer? I accept the point that is made that that right cannot be extended to somebody before he starts working in Gibraltar. Where an employer is asking for a permit to bring somebody new from outside Gibraltar, then I think if he is refused that and he has a right of appeal which the Government is giving him, that is fine, I am not saying the employee in India should have the right of appeal about a refusal in Gibraltar; I am not saying that, I accept that point, but once an employee is here if that employee wants to change jobs, for example, and the permit in his new job is refused by that Department surely the employee should be able to go to somebody and make a case why he has been 20 years in Gibraltar and he wants to get promotion to do better in life and he shouldn't be all the time condemned to being a labourer. That opportunity we are denying with this and this is the point I am asking the Government to consider.

HON MAJOR F J DELLAPIANI:

Mr Speaker, I will consider the points made by the Hon Mr Bossano though I may not agree with them.

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

HON MAJOR F J DELLAPIANI:

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 INTERPRETATION AND GENERAL CLAUSES (AMENDMENT)

ORDINANCE 1982

HON ATTORNEY GENERAL:

Sir, I have the Honour to move that a Bill for an Ordinance to amend the Interpretation and General Clauses Ordinance (Chapter 79), 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. In Gibraltar, standard time is determined annually by the Government under the powers conferred on it under Interpretation and General Clauses Ordinance and for many years it has been invariably one hour in advance of Greenwich Mean Time. There is no reason at the moment to think that it would deviate from that in the future. In Order to avoid having each year to publish a legal notice prescribing the standard time for the year, the purpose of this Bill is to amend the Ordinance itself to say that standard time in Gibraltar will be one hour in advance of Greenwich Mean Time but the possibility of the Government deciding that it may be convenient to change that is retained so that while that would be the normal rule the section will retain a discretion on the part of the Government to fix some other time either ahead or behind Greenwich Mean Time, as may be appropriate. That is the point of the Bill and I commended it 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 A T LODDO:

Mr Speaker, we on this side of the House welcome this Bill. For the last two years, I have been asking the perennial question on whether Government was prepared to introduce summer time as it is popularly known. The fact that we know have it and the fact that it is working admirably and

that everybody seems to be happy and all the problems which seemed unsurmountable last year and the year before seems to have vanished like a summer mist, we are very glad that the extra hour seems to have acquired a permanence and we certainly do not see any reason why we should revert next year to the time we used to have up to now and we sincerely hope that this becomes a permanent feature and that those in the private sector who up to now have not been able to enjoy summer hours at least have the small consolation of summer time.

HON W T SCOTT:

In fact, Gibraltar, as I understand it, has always been one hour ahead of GMT which is what the Bill says. On that basis it really has nothing to do with being British Standard Time or being one hour of British Standard Time. Can I therefore ask the Government if it is their intention irrespective of whether the frontier opens or not, now or in the future, to maintain that which they have introduced this summer of being one hour ahead of BST?

HON CHIEF MINISTER:

We will make a statement. Double Summer time comes to an end some time early October. Having regard to the experience that we have had this year, when we come to consider what happens this year, even if there is power to do so without having to come to the House, we will come to the House and say it so that the matter can be discussed.

HON A J HAYNES:

I hope that when the Chief Minister comes to the House with the information or the decision of Government it will be possible for this House to debate it if it is not favourable in the opposition view.

HON CHIEF MINISTER:

Mr Speaker, I think that goes without saying. I am not going to say it the day before. Normally, those matters are brought up by the administration early in the year.

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

HON ATTORNEY GENERAL:

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

This was agreed to.

THE PETROLEUM (SOUTHERN RHODESIA) (REPEAL)
ORDINANCE 1982

HON ATTORNEY GENERAL:

Sir, I have the honour to move that a Bill for an Ordinance to repeal the Petroleum (Southern Rhodesia) Ordinance (Chapter 176) 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. Sir, as Members will see, this is an extremely small bill. This is really the first item that has come up in the reprint of the laws of Gibraltar exercise. The Commissioner became aware that this was something that we do not really need any more. Members may recall that what this Bill did was to require a licence for the supplying of petroleum to Southern Rhodesia and this is no longer appropriate. 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?

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 Third Reading of this Bill be taken at a later stage in the meeting.

This was agreed to.

THE SUPPLEMENTARY APPROPRIATION (1982/83) ORDINANCE 1982

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 1983 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 £1,907,850 out of the consolidated fund. The purposes for which this sum is required are set out in part I of the Schedule and detailed in the consolidated fund schedule of supplementary estimates no 1 of 1982/83, 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 £205,121 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 1 of 1982/83 which was tabled at the commencement of this meeting. Sir, in my speech on the Finance Bill in May this year the Government gave notice that it proposed:-

- (1) to continue for a further year the special water subsidy to hotels and shipping by way of a refund of 10p to be paid on settlement of bills within 30 days of their issue the estimated cost to the consolidated fund for 1982/83 was £99,000 - hotels £73,000 and shipping £26,000.
- (2) A special electricity subsidy to hotels for one year equivalent to the proposed increases in the tariff at an estimated cost of £100,000.

(3) Government contributions to:-

- (a) The Electricity Undertaking Fund of £319,800
- (b) The Potable Water Service Fund of £96,900
- and
- (c) The Housing Fund of £1,280,400.

At the same time the Government indicated it's intention to seek supplementary appropriation at the next sitting of the House to cover the intended subsidies to hotels and shipping and for the budgetary contributions to the funded services. Meanwhile, these proposed contributions have been reflected in the Financial Statement at page 5 of the estimates of Revenue and Expenditure for 1982-83. They total £1,896,100. In effect all but £11,750 of the £1,907,850 to be appropriated from the consolidated fund are for the purposes specified at the budget meeting of the House. Some £100,000 or slightly less than half of the amount to be appropriated from the Improvement and Development Fund is required for revotes from the 1981-82 estimates of expenditure. Mr Speaker, Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

We will deal with the items, of course, in the Committee Stage of the Bill. Could I just pass one very general comment. In the consolidated fund we are going to appropriate £1.9m. Most of the items were approved at the budget as far as I can see. Haven't we voted this already?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, if I may on a point of elucidation. The amounts are not approved in the Estimates, they are shown at page 5 of the Estimates as proposed budgetary contributions but those amounts are not reflected under the budgetary contributions in the actual estimates and so it is now necessary for us to vote them. This is a new procedure because the Honourable and Learned the Leader of the Opposition will remember at one time the Government in the Chief Minister's speech on the Estimates of Revenue and Expenditure would give an indication of the budgetary contributions and we voted them at the time we were putting through the Estimates. This year we gave no indication

until the Finance Bill and then we gave notice that we would be taking supplementary provision at this next meeting of 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.

SECOND READING

THE BANKING ORDINANCE 1982

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill be now read a second time. Mr Speaker, Sir, the Bill now before the House is one of a series of measures which the Government intends to put before the House during the rest of this year and the early part of 1983 which will improve the facilities that Gibraltar has to offer as a finance centre. I think that the pre-requisite for a successful finance centre are in the main (1) the legislative ground rules against which international organisations can operate and to an extent our legislation has got somewhat out of date it has served us well but it has got out of date and there is a need to bring it up-to-date. Secondly, good communications, travel, telephones and telex; thirdly, the concomittant professional skills. At the upper management levels in certain specialised areas such as banking, skills can often be brought in during the establishment phase but there must be and thankfully we have a solid framework of the other professional skills, both legal and accountancy which are required. Again, office and residential accomodation is necessary for a successful finance centre and this we need to develop and for that we need to attract funds into Gibraltar and to attract those funds we must set the right fiscal climate and we began to move in that direction in the Finance Bill this year. Finally, and I think possibly most importantly, there must be political and economic stability and this, I am sure, we have. Sir, there is, if I may just mention in talking generally on Finance Centre activities, a Finance Centre Group which has been set up by the professions which have regular meetings with the Government. They put forward the proposals of changes or

for improvements which they would like to see, the Government receives them and considers them and we thrash out these proposals and the Bill is one of the first measures resulting from those discussions. The present Banking Ordinance, the 1956 Ordinance, has served Gibraltar well over the years but it is now completely out of date. In recent years there has been an expansion of international banking activities with a consequential move to develop cooperation between national supervisory bodies. Such cooperation is necessary to enable national supervisory bodies to take a consolidated view of the activities of banks whose operations transcend national boundaries. The general proposals for cooperation which have been put forward by the major countries in the banking field have been broadly endorsed by all national supervisory authorities including those in the major offshore centres who have their own small group. An essential ingredient in these arrangements is that information on banking activities must be treated with the strictest confidence and kept in a tight circle by a host or the parent supervisory authorities and it certainly must never be divulged to any other part of the Government or to tax authorities. This is the setting in which Gibraltar is attempting to improve the facilities it offers as a banking centre. In preparing legislation of this kind, and I speak now not merely for the banking legislation but for any legislation relating to a Finance Centre, Gibraltar must keep abreast of international trends and in doing so we must think through what is best suited to our own requirements so that whilst we meet international standards and foster confidence in Gibraltar we have got legislation and procedures which are suitable to our own particular circumstances. In recent legislation which the Government has brought to the House, and I am thinking here of the Bureaux de Change and the Development Aid Ordinance, there has been a reflection on an important change of thinking in the preparation of legislation and that is that the criteria against which applications will be considered are set out in the legislation so that anyone who is applying for a licence, permit or a permission of any kind knows the criteria against which their applications will be considered. And, secondly, that there should be an appeal procedure so that a person whose proposals are not accepted has the right of appeal against the refusal to grant a licence. This basic philosophy in the drafting of important legislation is fully reflected in the Bill now before the House. Sir, there is one rather difficult area that we need to keep very much in mind when reviewing finance centre legislation and that is the implementation of EEC Directives applicable to Gibraltar. There is at present a small committee, comprising the three political parties represented in this House and with other groups called in as necessary, which is studying how best to protect Gibraltar's interests consequent on Spain's entry into the EEC, with particular reference to employment, trade and the economy generally. The conclusions of this group are to be referred for expert

study and advice. Meanwhile, in framing its legislation, the Government must take account of community directives. This is the case with the present Bill. Fortunately, I can assure the House that there is no difference between the requirements of the EEC directive on banking and the legislative and supervisory framework we would wish to establish in order to achieve international recognition as an acceptable offshore banking centre with its attendant benefits to the economy. Subject to the Bill passing through all its remaining stages at this meeting of the House, the Government intends that it should come into operation on the 1st of October 1982. Before this can be done we shall need to set up the necessary administrative machinery for supervision including the recruitment of a banking supervisor. I think that the importance of that post of the banking supervisor is fully brought out in the Financial Times of the 5th of July, 1982, where a United Kingdom island which is also setting up as a finance centre has had troubles with banking and one of the first steps that they are now taking to put their house in order is to employ a banking supervisor to assist them in their work. The Bill offers extensive protection to depositors and for that reason it has been necessary to spell out in some detail what is meant by a deposit and a deposit-taking business. The actual control is over the acceptance of deposits in the course of carrying on a deposit-taking business. The proposal is that the Ordinance should be administered by a Commissioner of Banking helped by a banking supervisor and a banking advisory committee. Whilst private individuals are eligible for membership of the committee it is proposed that it should comprise initially of officials. All appointments will be made by the Governor and will be published in the Gazette. The Government welcomes the recent formation of a Gibraltar Banking Association which should provide a useful channel for the exchange of views between officials and banks collectively. In addition, of course, the Commissioner of Banking and the Banking Supervisor will be in close touch with banks individually. I would like to take this occasion to thank the Association and all other respondents who have put forward views on both the initial drafting proposals and the draft bill. Some of the proposals are reflected in amendments that will be tabled immediately after this speech, others will be met by administrative action or regulations. It is not intended that the advisory committee will normally see confidential information provided by banks. Such information will be tightly restricted. Members of the advisory committee will need to see full particulars concerning applications for licences in order to protect applicants against any arbitrary treatment. Thereafter the committee will only need to see such limited information as is necessary for the proper consideration of any matters that might be put before them. Sensitive information provided in banking returns will only be available to those immediately concerned with banking supervision. It will certainly not be available to any

other public officers. I should like at this juncture, Mr Speaker, to emphasise that both the Banking Commissioner and the Banking Supervisor will be bound by the secrecy provisions of the Bill. It is proposed that there should be two main classes of licences: a Class A and a Class B licence, each of which may be either "full" or "limited". Class A licences can take deposits from anyone; Class B licences will only be able to accept deposits from non-residents, from holders of a Class A licence or from persons that may be specified in an order made by the Governor. The criteria for full licences is set out in clause 26 of the Bill. In essence full licensees must be businesses of substance and reputation, having a minimum paid up share capital and reserves of £1m. A lower capital requirement is allowed, transitionally, for existing banks. In general only full licensees will be able to call themselves banks. There will however, be a place for smaller deposit-taking institutions which will only require a minimum capital and reserves of \$250,000 for which limited licences will be issued. These could be institutions wishing to conduct only a limited kind of business in perpetuity, for example, consumer instalment credit or they could be institutions wishing to start a deposit taking business as the most useful way of developing into a full licensee later on. It may be though that the minimum capital requirement of £1m is too high and that it will make it difficult for a new local bank to be set up. Banking, Sir, is not like other businesses in its capital needs. Capital in banking provides a cushion against loss. This is necessary for the protection of depositors. It is also important to look for a serious commitment from applicants to new banking ventures and the figures being prescribed for full and limited licences are the smallest considered acceptable in today's circumstances. Unfortunately our figures for inflation in Gibraltar don't go back to 1954 but they go back to the early 1970's and the pound of 1974 I think it is, is worth about 25p now, it is about four times the value. If you go back to 1954 I think one would find that the £125,000 capital which was then required is not very far from the £1m we are now seeking for a full banking licence. The procedure for obtaining licences is set out in clauses 20 to 24 of the Bill and the criteria for granting licences in clauses 25 to 28 inclusive. The arrangements for the determination of applications and for the issue of licences are set out in subsequent clauses. If it is intended to refuse an application the applicant must be given reasons and he has the opportunity to make representations with, eventually, a right of appeal to the Governor. In considering and determining an application for a licence the Commissioner for Banking will have regard to:-

- a. the protection of depositors;
 - b. the protection of Gibraltar's financial reputation
- and

c. the economic and financial stability of Gibraltar.

Prospective licensees must meet the minimum capital requirements from the outset and satisfy the other criteria. Where necessary enquiries will be made from supervisory authorities in other countries or from banks regarding the reputation and standing of applicants. In the case of newly incorporated institutions the reputation of the promoters and their experience in similar ventures will be taken into account. For a new local subsidiary of an overseas bank the reputation of the parent bank will be an important consideration. Licence fees will be prescribed by regulation. The original intention and I think that the Honourable Members opposite will have seen this in the drafting instructions was to have fees of the order of £10,000 for a full licence and £3,500 for a limited licence with additional fees of £1,000 for each branch. The Government considers that these are much too high and are considering lower figures. Furthermore there will be no separate licence fee for branches. Consideration is also being given to ways and means by which the tax disadvantage experienced by domestic banks vis-a-vis offshore banks in relation to offshore activities can be reduced. Mr Speaker, Part V of the Bill deals with the duties of licensees and amongst other things imposes restrictions on other types of business they may carry on apart from banking. The intention is, Sir, to prevent banks from engaging directly in trading activities for which different attitudes and skills are likely to be required from those needed in banking and where different risks are involved. This of course does not mean that where a separate organisation with the necessary skills is interposed between the bank and the business that the bank cannot participate through that separate organisation in other business. The powers provided under this part of the Ordinance are meant to facilitate prudential supervision by the Banking Supervisor which he will base on statistical returns. The exact form of these returns will be decided following discussions between the banking supervisors with the banks themselves. Our supervision will depend largely on personal contact between the Banking Supervisor and licensees with regular discussions based on the information provided. Part 7 of the Bill deals with the cancellation of licences, the grounds on which this may be done, and the procedures to be followed. Licensees concerned would have an opportunity to state their case. Cancellation would be the ultimate step in the case of a failing institution. There is in Gibraltar no lender of last resort and every effort will be made to avoid cancellation through the issue of directions, including directions requiring the appointment of a competent person to advise the licensee on the conduct of his business. Part 8 of the Bill provides for appeals against decisions of the commissioner including cancellation of a licence. Where the appeal relates to a matter of policy, the appeal will be determined by the Governor. All other appeals will be

determined by the Supreme Court. Part 9 of the Bill contains a number of miscellaneous provisions necessary for the administration of the Ordinance including the creation of offences. It restricts the use of the word "bank" and "trust" and provides for the winding up of licencees by the Supreme Court on application from the Commissioner. It also enables regulations to be made. Finally, Sir, there are transitional provisions. These provisions cover persons who are lawfully carrying on banking and deposit taking businesses immediately before the Ordinance comes into operation. Such persons will be deemed to be licenced for a period after commencement of the Ordinance which if they apply for a licence under the Ordinance will last until their applications have been decided. As I mentioned earlier, such institutions may qualify for a licence even though their capital and reserves may not meet the requirements for new licencees. Mr Speaker, I have only touched in general terms on the policy thinking behind this legislation. There will doubtless be a number of points on which Honourable Members will seek clarification both in this debate and in more detail at the Committee Stage. Mr Speaker, I would like to give notice of the Government's intention to introduce various amendments at the Committee Stage. With your permission, Sir, I would like these to be circulated to Honourable Members at the conclusion of this Second Reading debate. Sir, I commend the Bill to the House.

MR SPEAKER:

Does any Honourable Member wish to speak on the general principles and merits of this Bill?

HON G T RESTANO:

Mr Speaker, it is 26 years since the Banking Ordinance which we have at the moment was introduced, and in the last few years world banking, generally, has changed to a very appreciable degree and it is about time that for the good banking name of Gibraltar, that the Banking Ordinance should be updated. I agree with the Financial Secretary that there is a necessity today more than ever to attract finance to Gibraltar and make Gibraltar a finance centre. And in updating the Banking Ordinance, we do give the support to the Government. Generally speaking, we agree with the general structure of the Ordinance but there are two areas where we do have reservations. I will take the second one first if I may. I will go first of all to Part 6 of the Ordinance on the supervision of deposit taking businesses. It seems to me that the powers granted under Part 6 of the Ordinance to the Commissioner and Supervisor are far in excess of the powers that one would expect to see in a Banking Ordinance today and certainly far in excess of the powers that exist today in Government. In other words, today,

if a bank has to give information about its depositors, the bank has to give information about the transactions that it carries out in this respect, it is my understanding that any person wishing to, for example, in the case of law officers, applications have to be made to the Court to get that information. In the present Ordinance, it would appear that the officer or Officers, the Commissioner or Supervisor appointed by the Governor may now go to a bank and require to inspect the premises, require to inspect the books, require to inspect all the relevant documents that may be in the keeping of the bank relevant to the deposit taking business and I question whether those powers are not perhaps rather over extensive. The Honourable Financial and Development Secretary mentioned in his contribution the provisions of secrecy under the Ordinance under which both the Commissioner, Supervisor, Committee, etc., the officials, would be bound. Perhaps I have not read the Ordinance with too much scrutiny but I do not seem to see where in the Ordinance there is this provision for secrecy. As far as I can see, the Supervisor or Commissioner is entitled under the Ordinance to go into the bank but there does not seem to be, as far as I can see, Mr Speaker, anything, here which says that the information that he obtains, that the information that he sees, is required to be kept confidential. There seems to be no requirement either, as far as I can see again, on either his Deputy or the Members of the Committee. I think, that if we are to attract, and I think this is one of the prime purposes of the Bill, to attract finance, to make Gibraltar a finance centre, I think one very important factor has to be confidentially and secrecy. I cannot see people coming and making use of Gibraltar as a finance centre if they think there is any possibility of their operations not being confidential, or the possibility of that information being divulged. It is, I think, an important implication. There are wider aspects of the Bill which are going to be commented on by my colleagues in a moment but one further point that I would have to make on this is on the administration, Part 3 of the Bill, and that is Section 12. I wonder on the advisability where the Commissioner is for a reason unable to meet in consultation with the Committee, that he can appoint his Deputy. Surely, that sort of appointment for such a sensitive post if it were required to be appointed, should be done by the Governor and not by the Commissioner. The last point I wish to make, Mr Speaker, is on the composition of the Committee. We have been told that the Committee of three is to be appointed by the Governor, and it can really consist of anybody. But, initially, it is the intention for the Committee to be made up of officials. So this to be on a permanent basis, is it on a temporary basis, is it intended that in a certain period of time the officials give way to appointed members who are not officials? I think we should know exactly what is really meant. Is it the intention that officials will continue for a long, long period of time, or is it the intention that the officials should be kept up for a period of a year or 6 months or what have you, and then persons who are not officials are going

to be appointed in the place of the officials? I think it is important because, after all, the information that would be available to this committee may well be of great importance and I think we should know exactly who is going to be liable to have access to that information. I think for the time being, Mr Speaker, those are the points that I wish to make as an introduction to the Bill and perhaps at a later stage the Honourable Financial and Development Secretary would be able to give us some answers on those particular points.

HON P J ISOLA:

Mr Speaker, in the introduction by the Financial and Development Secretary to this Bill, he did refer to the various studies that are being made and carried out and are in existence in relation to building up Gibraltar as a finance centre and I suppose a Banking Ordinance that puts at least the situation of banking on a proper footing is to be welcomed. But, Mr Speaker, I would like to echo a lot of what the Financial and Development Secretary said at the beginning of his opening speech and that is the need to build up the reputation of Gibraltar and its ability to grow as a finance centre. The finance centre aspect of the Gibraltar economy is not necessarily of tremendous significance in the whole set up of Gibraltar but if built up properly and speedily to take advantage of what is happening in other parts of the world, in other tax havens, I think it could make quite a significant contribution to the economy of Gibraltar and could provide in certain areas, clerical grades especially, increased employment opportunities and so forth. Therefore, Mr Speaker, I feel bound to say that we must move with a little more speed than we are in fact moving because the idea of a new Banking Bill if I remember rightly, a Banking Bill of some sort was produced, I believe it was in August 1981, or even earlier still. Anyway, I saw one some time ago, and I think there is a need to give rather quicker consideration to other matters to improve the position of Gibraltar. There seems to be a lot of interest in Gibraltar, Mr Speaker, but I think it warmed quite considerably at the time of the Falklands dispute, people started getting worried about Gibraltar, but, now I think the interest is coming back again. I think we have to provide an efficient service if we are going to have a finance centre in Gibraltar, we have to provide, really, the sort of efficient service that I believe is provided in Jersey, in the Isle of Man and so forth, and I would just like to mention a few areas in which I think there is room for improvement. I would first of all, talking from personal experience, refer, Mr Speaker, to the registry of companies in Gibraltar. The problems are seen to be, for example, in obtaining name approval for companies. The delays there seem to be the certain amount of red tape there is in the matter.

I find people get terribly irritated. I don't mean us, we are used to it, we get used to everything, but people from outside seem to get irritated. They ask for the name and you tell them, "Oh, we don't know anything yet," and it takes 15 days very often to have a name approved and then what happens is that they go elsewhere. Gibraltar is too slow. This is happening constantly and I think this is beginning to affect the situation. I don't know what I can suggest to accelerate name approval but what I can say is that, for example, in the United Kingdom as far as I remember now, name approvals are almost automatic now, in the sense that they leave it to people who find a company has been incorporated with the same name to make objection. I don't suggest we should do that in Gibraltar because I do think it does create quite a few problems, but in England that is what they've done and then as there are powers in the Company's Act to make a company change its name, that is the procedure people follow. But I think there is a need for the Registrar. I am not talking about the man holding the post, the registry to be a little more liberal in the acceptance of names and not to look around half the world to find out if there is a company with the same name. A lot of work is put in what I think is probably unnecessary. I do not know the reasons for it, all I can say is that from my experience I get constant complaints of the time it takes to approve a name. It may seem a silly thing but that is the beginning, the beginning of the process. It is where people first come into contact with Gibraltar. They get hold of a Chartered Accountant or a lawyer or a bank or anybody and say: "We want a company, we could like this name," and then everything stops dead for 15 days. Unfortunately, Mr Speaker, with the existence of telex, people can get the thing in one day and they expect the thing to happen the next day, and it doesn't. It takes 10 to 15 days and possibly longer. I think something should be done to accelerate that process. I think it would help the building up of the finance centre image. There are other matters that could be hurried up in this respect, Mr Speaker, but I think this is the main one, this is the main source of complaint from people from outside. I haven't been myself in touch with the Committee of the Finance Centre, the Consultative Committee, I went to the first meeting and I had minutes and all that. I haven't been in touch with them, but I was very glad to hear the Financial and Development Secretary say that we will be getting legislation on what is being discussed with them over this, during this year. I have made a few enquiries before coming here and taken ideas from people, apart from my own experience. I find a lot of support for allowing Part 9 Companies to become exempt companies, Companies that are actually registered in some other jurisdiction and because they are carrying on a business in Gibraltar, they have to register in Gibraltar as an overseas company a Part 9 company, there seems to be a lot of support for the idea that if provision was made to enable such companies to register as exempt companies, a lot of them would in fact do so and that the revenue increase in tax to Gibraltar would be quite considerable.

This, incidentally, I heard from quite a prominent banker in Jersey who told me that the modern idea seems to be that you register a company in one place, you manage it in another and there was a third one, and you do something else in another, I can't remember what it was. Or you hold your investments, something like that. Anyway, it seems sense to me, Mr Speaker, what I was told, and perhaps we should do something about that. Another area of which I know a little more about is the question of yacht companies, yacht ownership companies. Unfortunately, for some reason or other, the French Government put on a tax on yachts registered in Gibraltar or owned by Gibraltar companies. I might add, also, Liberia and Panama, we were bracketted with that sort of people but that practice is quite substantial it is three French Francs a day per tonne of the yacht if the yacht is in any port in France and most yachts, the richer yachts like France because the Cote d'Azur is still more pleasant than any other coast and yachts have just moved out of Gibraltar, they have moved to Jersey or Isle of Man who do not get taxed in this way and so that for a lot of people in the tax haven business, or looking for tax havens, they wonder why it is that you can have your yacht registered in Jersey or the Isle of Man or Guernsey and not in Gibraltar and that puts question marks in their minds and I think that is a very unfortunate thing that has occurred. Only a few minutes, I was stopped by a lawyer and he told me of the serious problems some of his clients are having today in France with this. That is an unfortunate thing to have occurred because a chap who has got a yacht has got a lot of money and the man who has got a yacht in Gibraltar or registered in Gibraltar, it can be the beginning of other things. But, hopefully, I understand diplomatic steps are being taken to try and remedy that situation and I hope it is successful because quite apart from the yachts themselves, quite apart from that, it is the fact that Gibraltar cannot do everything that Jersey and Guernsey and the Isle of Man can do and that is not a good thing. The other point that has been brought to my notice, Mr Speaker, and in fact there was a question, it was brought to the notice of my Honourable Friend Mr Restano, is again the question of certification of officers of British Ships and the control from London under the Merchant Shipping Ordinance. I would not favour amendments to the Merchant Shipping Ordinance, that would affect safety requirements and all the other things that are catered for. Nor would I favour changes in the Merchant Shipping Ordinance that would allow a vessel to have any kind of certificated officer but I would favour, and I favour strongly, a change in the Merchant Shipping Ordinance that would allow certificated officers from any EEC country to be officers of ships. I might not hold the same views if Spain and Portugal were already in the Common Market, Mr Speaker, I think that pressure should be put on this because from the information I have, despite everything that is said in England about flags of convenience, I was present in a debate in the House of Commons where there was somebody

complaining about flags of convenience and the Secretary of State for Trade said that Britain was in fact one of the biggest flags of convenience, in fact 40% of total British registered tonnage is flag of convenience tonnage. So it is quite a sizeable part of business, this flag of convenience, and of course, Mr Speaker, the British Flag has a tremendous attraction because of the standards of British Registry and therefore a lot could be gained if Gibraltar could be given that little advantage, let me put it that way, over the Channel Islands and the Isle of Man now that we don't have any advantages in fact we have a loss, a minus sign on the yachts. I think that is something that should be pushed because I think it is reasonable to ask that certificated officers of EEC countries should be allowed to be certificated officers of British ships. A British ship doesn't mean a ship that has everybody in it British at all, that is not the case at all. All it means is a company whose principal place of business is on British territory, that is the definition. I know there is a new Merchant Shipping Act, but judging from what I saw of it, the consultative paper that I saw on it, I reckon, Mr Speaker, it is going to take a long time before it finds its way on to the English Statute Book because of the pressures of Parliamentary business in England and of course all the political pressures that will go round this particular subject. I would urge the Government to try and get dispensation, I think we have power under the Merchant Shipping Ordinance to propose a Bill to make the changes because the certification provisions are not in the Merchant Shipping Act but in the Merchant Shipping Ordinance, but I can see that because it is a British registry that we are talking about, there is a need for reference back, but I think there are good grounds for making a good case. Mr Speaker, another thing that is brought to my notice, and I am raising all those things in this debate, Mr Speaker, because it is all part of building up Gibraltar as a finance centre and I think as we are going into recess it is a good opportunity to make these points. The other point and this is a good opportunity to make these points. The other point and this is a more dangerous area, but definitely one that I think needs exploration. A lot of the business with yachts lies in chartering them for pleasure over the summer months and with the position in France which is very difficult, I believe in Spain I am told, and that is another big area for yachts now, lots of marinas and so forth, I believe in Spain you cannot charter a yacht unless the yacht itself is registered in Spain. So therefore no charter business is allowed from Spanish ports. Gibraltar has got two marinas, hopefully we may have a third, I don't know, and I think there is a great possibility of business in encouraging the yacht charter business from Gibraltar. People flying out to Gibraltar, picking up their yachts and going off. Mr Speaker, that sort of business is sold, as it were, outside Gibraltar, in Germany or France or Italy or wherever and the product is received in Gibraltar. People just fly, get into a yacht and go out. Obviously if those yachts are permanently

in Gibraltar they will be liable to Import Duty and if the Income Tax Office takes the view that the business is being carried out in Gibraltar, as probably it is I would have thought, then they would liable to tax in Gibraltar, 40% interest lost. I don't know whether a way can be devised of allowing exempt companies to deal in business of chartering, not selling anything from Gibraltar but allowing the yachts to be based in Gibraltar and selling from outside Gibraltar. I know it would require a very restricted licence so that it is really a genuine off-shore operation that we are talking about and not an internal operation which obviously should pay tax like everybody else does but I think it is worthwhile trying to do something in that direction because I believe from what I hear, I haven't actually any personal experience of this, Mr Speaker, but from what I hear Gibraltar could then become quite a formidable base for charters the marina being situated right bang next to an airport and at the entrance to the Mediterranean. People could pick up their yachts in Gibraltar and do a little Mediterranean cruise and this I think would be helpful. I don't think it would be possible to put conditions that the yacht had to be registered in Gibraltar because with the present situation in France that would again make it impossible, but an exempt company under certain conditions. Another area, Mr Speaker, and I think the Financial Secretary did speak about it, or I am not sure whether he did or he didn't, of course, is the insurance company business and the EEC directives, where I believe we are possibly in a bit of trouble technically with EEC regulations and so forth and I think, obviously, that is something that should be looked at to see whether in this particular area we can obtain some exemption for Gibraltar or whether the rules can be interpreted. I think somebody ought to be sent to France, Mr Speaker, to look at the way they do the rules because I believe they are experts.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

They just ignore them Sir.

HON P J ISOIA:

I don't want to use the words "ignore them," Mr Speaker, they seem to have a tremendous ability. I am told it is quite impossible for an EEC National to set up a business in France or to live in France, even though the EEC, the Treaty of Rome, says that you can move about freely and can take up employment freely. I am told that in Italy and France it is quite impossible for an EEC National who is not an Italian or a Frenchman, to do anything in these countries without getting licences and going through very difficult situations. I don't know whether we ought not to take a leaf out of their book as they seem to be doing it successfully. Another point that has been made to me,

Mr Speaker, and that is one I don't really quite understand and that is introducing the concept of a movable domicile for a company and on this one I am on very uncertain grounds, Mr Speaker, and that is that a company registered in Gibraltar has to have a registered office in Gibraltar and that is why its domicile is Gibraltar, allowing or making provision under our Company's legislation under which a company can, at short notice, move its domicile to another jurisdiction. Obviously, Mr Speaker, that is intended as a tax avoidance operation, not an operation to defraud creditors or anything like that, obviously there would have to be safeguards, but I am told that that is another possibility. Mr Speaker, these are a number of things that have been brought to my notice that ought to be considered. I am not suggesting that the Government should get the legislation out in 24 hours but what I am suggesting is that there are areas in which I understand progress could be made in Gibraltar and Gibraltar could really be put on the map as a finance centre. It is a whole series of measures that have to go in. I know that one has to be very careful, one has to look behind oneself and round ourselves but let us not forget one rather important thing and that is that a tax haven is in the business really, to a certain extent, of avoiding other countries taxes and enabling people to avoid taxation, also for comfortable administration and so forth, and therefore we must remember that and remembering that, we must do what has to be done in order to be able to build up the finance centre but at the same time, obviously, keeping the reputation of the place because if the reputation of a place is lost then you lose everything. I believe Liberia now is quite a problem country, people don't want anything to do with it. Strangely enough, Panama, which makes things extremely easy for everybody, still seems to be on the map, Mr Speaker, but I don't suggest we go that way. Our competitors are, I believe, Jersey, Guernsey and the Isle of Man and I think they are places of reasonably high repute and they are our competitors and we have got to try and be one up on them. I think one of the things that will produce that is increased efficiency, that is why I started off with that. I haven't had that much dealing with Jersey, Mr Speaker, but when I have dealt with Jersey, I have found them pretty quick and efficient and I think that is part of the service that we must ensure we give. Mr Speaker, having said all that, the Banking Ordinance, which is really what we are talking about and I thank you for your indulgence, we recognise that banking has to be put on a firm footing. The areas that my friend Mr Restano has mentioned, are the areas which cause us the biggest problems. I see the merit of having a Banking Supervisor and a Commissioner. We would like to know if the Commissioner of Banking is going to be a Civil Servant. You are going to have a banking supervisor appointed, presumably, outside the Civil Service, is the Commissioner also going to be recruited outside?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If I may, Sir, on a point of clarification. The intention is that until a Banking Commissioner is appointed who could possibly be someone from outside the public service who is versed in banking, it would be the Financial and Development Secretary.

HON P J ISOLA:

I have no quarrel with that, Mr Speaker, and the Banking Supervisor as I see here is going to be the chap who really is the supervising officer, is going to be appointed, obviously somebody experienced in banking and so forth. One of the things I was told, Mr Speaker, about this particular one is that the banking supervisor should not if possible be recruited from the Bank of England. I don't know what the intentions were. The reason I was given for that is that if he is an ex-Bank of England man then a lot of people would tend to shy away from that, I don't know. I personally think that the Banking Supervisor is going to be a very key person. I think very careful thought has to go as to whom that person is going to be. He is going to have some very very extensive powers and we are worried, Mr Speaker, obviously, with the provisions of Section 51 and 52 of the Ordinance. I know one has to balance the public interest which is that we shouldn't have a bank taking deposits willy-nilly and then investing them somewhere that is unsafe on whatever, there should be somebody who can keep an eye on that. I don't think it is necessary, obviously, in the case of the big banks in Gibraltar who are established. I don't think there is any problem but any new bank I can see the problem there, Mr Speaker, but on the other hand banking secrecy is riskier except that I notice there is a fine of £5,000 and 2 years imprisonment if any information is given out and I have also noticed with some satisfaction that the Advisory Committee will not be getting the information that the Banking Supervisor gets and I think it is very important that there should be prescribed rules on that because today it is going to be three Civil Servants tomorrow it could be a member of the banking community or anything else. I think we are on a very dangerous area and I would like certainly to be absolutely clear of what is going to happen there because the powers, Mr Speaker, in Section 52 and 51 are very wide indeed. The Banking Supervisor is going to be able to go into a bank and say: "I'd like to see the account of Mr X", any document, account and other records that are in that person's name.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If the Honourable and Learned Leader of the Opposition looks through the amendments which we have introduced, or

are introducing after consultation with the Banks, we are omitting the words "reasonably required for the purpose of the Ordinance" and substituting the words "required to do so for the purposes of prudential supervision of deposit taking business". In other words, he can only ask for information relating to the deposit taking business.

HON P J ISOLA:

Well, Mr Speaker, I am glad to hear that, we will be looking at these amendments. One thing that I am afraid we do not want, Mr Speaker, is the use of every authorised officer, I think it should be Banking Supervisor only. Mr Speaker, if we were talking of 2000 banks I can understand somebody else doing it but I think that when you are talking in Gibraltar today of 8 banks at most, I can't see that going up to 50 or 60 banks. For the time being let us just have one man who gets that information, Mr Speaker, the Banking Supervisor. I personally would ask the Government to consider seriously in the first instance to just have the Banking Supervisor who after all is not going to be that heavily engaged if this is going to be his only job, to supervise. Later on, alright, if it becomes a big thing, a lot of banks but even though there are big penalties the less people who can have this information, I would have thought, the better. We will look at the amendment to that because I am really echoing the concern shown by my Honourable Friends. The other thing that I would like to mention, Mr Speaker, is the question of the capital for full banking of a £1m. It is a small point and it isn't a small point. People from outside in this league can rustle up £1m, there is no problem. I think the big problem is finding out who is the real owner of the bank and finding out the integrity of that person and that of course, will be the responsibility of the Commissioner, the Banking Supervisor and the Advisory Committee. I don't think it is so much the money but the people that you are dealing with. This is to me the important thing. I would like, Mr Speaker, for there to be an opportunity for another local bank in Gibraltar. I can think of local interests with great integrity who are in business. If a local interest can get together, say, £5m, they should be able to start a bank. Their integrity would be well known to the Banking Supervisor and the Advisory Committee because they would be people who live in Gibraltar, who have traded here, and they wouldn't get a banking licence, obviously, unless they were very well known, I would have thought that asking those people to put down £1m possibly putting out of reach a banking licence to local interests. I would like to see the opportunity being given to local interests who want to engage in banking business to have that opportunity. I think £1m is possibly too high in that case and I was going to ask for £5m. I am sure, Mr Speaker, and I would certainly like to have assurances of that, I am sure I will

get some, but the fact that somebody can produce \$1m will not give him a banking licence, obviously. The important thing is not really producing the money, the important thing is the people who are going to run it. This is what is the big guarantee for the deposit makers. We agree with the principle of a Banking Supervisor. Unfortunately, or fortunately, I think that is essential, to supervise proper banking, but on the other hand we don't want to give him too much power, Mr Speaker, we want it to be restricted because banking secrecy is something that is valued everywhere. I don't know how the thing is done in other places, the Banking Supervisor. He won't be able to give any information, obviously, to the tax office or to the Government for the purpose of estimation or anything, it will just be for the purposes of his duties under the Ordinance, full stop. Well, Mr Speaker, those are the remarks I have to make on this.

HON CHIEF MINISTER:

Mr Speaker, I think the Honourable Leader of the Opposition was right in thanking you for your indulgence because he covered the whole field of finance centres and we were dealing with the Banking Ordinance. As he says, we are just before the recess and I think it is a good exercise to talk about these matters. In the first place, with regard to the previous Banking Bill, this was produced at the time of our present Financial Secretary's predecessor Alan Collings, who I was sorry to hear the other day hasn't been too well recently following some assignment given to him somewhere in Africa, I think he is back in the Isle of Man again. It was circulated, but, really, it hasn't gone deeply into the matter, it was a composite of a number of Ordinances of overseas territories put together in some kind of form. It looked formidable but on examination it was proved to be rather patchy and didn't have the cohesion that is required of a measure like this and in this case of course we have gone about it in a much more orderly way, we have had drafting instruction, we have had an enquiry, and then we have had people to help and so on. I am sure that the Financial Secretary will reply to most of the matters raised in general debate on the question of the Banking Ordinance itself. I want to say a few things about the other matters mentioned by the Leader of the Opposition. With regard to the last point raised by the Leader of the Opposition about \$1m. Well, if what he is thinking of is a few people here getting together and couldn't be able to get \$1m, few people getting together here to start a bank, who are not bankers, would not be able to have the knowhow, they will require people from outside, they will require partners, and they should bring money here. Banking is a very specialised discipline and it is not just the question of having the money. It doesn't mean that because you haven't got \$1m you would have a licence if you haven't got the knowhow. In fact, most of the requirements insofar as Government is concerned in respect

of the offshore banking that has come through, one of the main areas where we have looked out for is the expertise that they bring to deal with these matters, it is not a matter for amateurs. With regard to the question of the registry of companies which was the starting off point of the Leader of the Opposition's speech, perhaps he might, as I will, declare somewhat of an interest because we as practitioners are interested in the registry of companies working well but, anyhow, I entirely agree with what he says. However, I should remind Members that recently we have strengthened the staff of the Registrar of Companies by two people, one HEO, and one EO. What we have not given him yet is his computer because we have not been satisfied of the kind of hardware that is the best for what he wants but knowing the Registrar and without in any way wanting to say anything that might be a sort of criticism of the exercise of his quasi judicial functions, I think that even with ten computers he will still take time because he wants to know whether some other company in some other part of the world has got the same name. Whilst we should not go as far as has been done in England where the burden is put on anybody who takes anybody else's name as he is liable to an action for passing off, if, in fact, he is restrained by the legislation in being able to give quick answers for the proposals of names then perhaps we should look at the legislation, if it is his interpretation of the legislation then that is another matter. I entirely agree that a lot of business is lost to Gibraltar because a name cannot be got quickly. Even in urgent cases the effort is made and so on, but it doesn't work. If I came along and wanted to register a Bank and call it Rothschild, I can imagine having difficulties about it, they are reasonably big bankers, but with other personal names and so on the difficulty is terrific and we must look at that, I entirely agree that we must look at that. I think it ought to be said, too, that the emphasis on the finance centre aspect has been bigger in the last few months than it has been before, despite the fact we have been in the exempt company market, so to speak, for some time. I think two things are important in respect of this. First of all, if I may say so the vision and the enthusiasm of the Financial and Development Secretary has been partly responsible and, secondly, the fact that I think that because of what has happened to us, because of the difficulties, I think we get a better hearing in London if we are to do things in a way that we can stand up to and not fall foul of our good name, that we are getting more support from London from the Bank of England that we used to get before I think it may be one final decision taking at a high level in the Treasury of saying: "Well, what is it, if they don't go to Gibraltar they are going to go somewhere else, you are not going to lose much more revenue by allowing this facility to Gibraltar because if it is not in Gibraltar it is somewhere else". They know that a lot of people try and manage their affairs in such a way that they pay as little tax as possible and that if there is a little loophole through Gibraltar if it isn't through Gibraltar it is going

to go elsewhere. I think, perhaps, on the part 9 aspect of Ordinance which will be helpful and on which there is an element of hesitation, I believe, in England, that we might get that quick reply and deal with it. It is one matter which I think this group has been particularly strong in getting and I wish them well because I think it would be very helpful. Talking about the Banking Supervisor, it will be such a formidable person that we are afraid we might not be able to afford to pay the salary of the kind of such person we want without upsetting the apple cart on salaries. We hope we can find a person suitably fitted and within our parameters of salaries and so on that people of this calibre demand nowadays. The Financial Secretary will be dealing with the more important aspects and it is in the amendment proposed on this question of secrecy which is absolutely essential. That is the area from which the main representations have come and that is the question of absolute secrecy in order that people are not afraid of having their business disclosed and this is something for which there is provision in the amendment. I think, again, our record is good in that respect, I don't think that there has been any complaint that any of our affairs in the exempt companies has ever been divulged in any way and we have never had any complaints and that I think is to our credit that we have been in that kind of business for a long time and there hasn't been any complaint. I don't deal with this type of business very much myself but I know that people when they come here the first thing they want to know is whether what they do here is going to be known somewhere else because of our relationship with Britain. The Financial and Development Secretary having been a Treasury man well knows how to avoid the dangers of the Treasury getting hold of the information that they would dearly like to get not only here but anywhere else. This is the first measure, with regard to the question of insurance I think I ought to just mention that we are going to have a consultancy on that and we shall be coming for some funds in respect of the consultancy because it is an area where also there is considerable development particularly in captive insurance and so on and we want to make sure that we have got it right in order not to fall foul of the EEC regulations.

HON ATTORNEY GENERAL:

May I just speak briefly, Mr Speaker, on the point that was raised by the Honourable Mr Restano about the confidentiality requirements. In Clause 73, Sub-Clause 9, it is an offence to disclose the information obtained under the Ordinance. Sub-clause 10 defines definitively the circumstances in which he may disclose without being in breach of the Ordinance and Sub-Clause 10 is the place where the Honourable Member will be able to see how far one may go in making a disclosure. There is no reason why Sub-Clause 9 should not apply and it does apply to everybody, including the Commissioner, the Banking Supervisor, the Staff. Everybody is subject to that

prohibition unless they can bring themselves under Sub-Clause 10. On Sub-Clause 10, I would just like to say this, that the Bill as drafted now makes the same sort of provision as the English Act has. It authorises the disclosure of information for the purposes of prosecuting any criminal offence, and that is an extremely wide provision, and we will be moving in Committee in relation to this Bill, provisions to narrow that so that the only criminal offence which under this Ordinance an officer will be permitted to use evidence obtained under the Ordinance to prosecute will be an offence against the Ordinance itself. We think that it is not necessary and it is probably not right in principle to allow a Banking Supervisor, the authority who is set up to administer an Ordinance for the purposes of the good management of banks, to be able to use the information he thereby gains for the general advantage of the criminal law. Of course, I would like to make this point clear as well, that if there is some other provision of the law, some provision in some other law which authorises the obtaining of information for other criminal purposes, there is no reason why that other law cannot be used, but we will be limiting the scope of this Bill, so that the information obtained can only be used for prosecutions against this Bill itself. I also give notice, Mr Speaker, that I myself will be proposing some amendments which are purely of a drafting or a cosmetic nature. I think this Bill does involve an element of presentation as indeed all Bills do but this one particularly.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I am grateful to Members on both sides of the House for what has I think been a most valuable discussion on this Bill. I would at the outset like to say that there has been delay in presentation of this Bill and really the only reason why we managed to get it to the House now is that over the past 9 months we have employed a banking advisor to assist us in the preparation of the drafting instructions and also to help the Attorney General on the technical side when it came to the actual drafting and it is for this reason that the Chief Minister has already mentioned to the House that we have also decided that for insurance in order to speed along the road we must bring in an expert advisor. Unfortunately, we have not in the Treasury here, at the moment, not so much the expertise, but the time to give to the drafting of what is essentially major financial legislation. The question of the powers granted to the Commissioner of Banking and more particularly to the Supervisor of Banking to ask for information indeed to go well beyond those powers which are in the present Ordinance but this is the way in which modern banking supervision is moving and unless we move along that road and unless we can show, internationally, that our supervision is good, Gibraltar is not going to have the reputation that we require to build it up as a banking centre. Having said that, I fully accept that we must have the controls and checks necessary so that

the Banking Supervisor can only get that information or ask for that information which he requires for the prudential supervision of banking and that doesn't mean going in and saying "I would like to have a look at Reg Wallace's account, lest Reg Wallace happens to have more than 20% of the deposits in the bank - that would be the day - but I think that what the Banking Supervisor is going to be looking at, he will be getting returns and he will be looking at where there is any undue concentration of deposit taking or of lending and saying: "Aha, you have quite a lot of money loaded in this area, or that area, can we look into this, can we talk about it?" There is ultimately, leaving aside the changes which we have drafted into the Bill after consultations with the banks, there is and we made this point in discussion with the banks this morning, one final thing which rests with the banks and that is that if any banker considers that the Banking Supervisor is asking for information which goes beyond prudential supervision of deposit taking, he can say "I am sorry, I am not going to give you that information." The Banking Supervisor then can if he so wishes, take the banker to court. But if he takes him to court, he has got to prove in court that he requires that for prudential supervision and the banker can argue that it is not required for prudential supervision. I hope that that situation will never arise and that we will get a rapport between the Banking Supervisor and the banks which means that we can get information for the Banking Supervisor and for prudential control which will not mean this head-on collision arising. I hope it won't and of course, as the Honourable Members have said, it depends on the type of person we get as Banking Supervisor. If we get a good Banking Supervisor he will know his job and he will earn the respect and confidence of the banks.

HON G T RESTANO:

If the Honourable Member will give way. Can he say how far in fact, would he be able to go in the carrying out of his duties?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

In effect, for the purposes of the Ordinance, for prudential control, he can ask for any information if he could show, and he would have to show, that it was required for the purposes of checking the prudential control of his operations by that bank, and as I say there is always the other side of the coin, where the banker can say: "I don't think you require this information," and then you get the need for a Court Order. I think that the Honourable Mr Restano had quite a good point on his suggestion on Clause 12, power to appoint other persons, should it not be with the Governor. I think that in the initial stages this doesn't arise because

as I made in a point of clarification, the intention is that the Financial and Development Secretary would be the Banking Commissioner so I think that if one had a Banking Commissioner outside the Public Service who did not automatically and ex-officio act in that post, then there is a case for actual appointment and this will be looked at by the Attorney General. The composition of the committee, initially officials for how long? Difficult to say. Obviously, for probably the first year or two of the running of the Ordinance I would say myself we would probably rely on officials but as eventually Gibraltar gets people who may retire here, or may live here and who know sufficient about banking, who are sufficiently removed from the scene to take an objective view of applications or of the work of the banks, then I think the Government would consider recommending that His Excellency the Governor appoints such persons to the Banking Advisory Committee. I think that that is a little way ahead at the moment. Quickly on the areas for improvement. Just on yachts, we have in fact now got hold of a copy of the Naples Convention, which is the one that we had not signed, and, we have got to look at it to see whether we want to be signatory to it, what we don't know is if we are a signatory to it whether our French colleagues in the EEC would think of some other reason why yachts registered in Gibraltar should be taxed. We think that it is a measure aimed at finance centres rather than at Gibraltar generally. The only reason why Jersey and Guernsey haven't fallen in the net is that they are very close to France. The only other point is the question of should only the Banking Supervisor have access to information. This is the intention at the moment. A Banking Supervisor ought to be able to look after 20 or 30 banks and we are nowhere near that at the moment, but what we do need is the power so that if he breaks his leg or is knocked down by some car in Main Street or whatever, we can appoint someone else to do his work, this is the only reason, but there is no intention whatsoever of having a horde of minor officials appointed to go round and we are making an amendment to make this quite clear. I think that the Chief Minister has made the point on the capital backing and the \$1m, and I can assure the Honourable Members opposite that anyone who comes with \$1m in his bag, even if it was in good pound sterling, doesn't necessarily get a banking licence. We go very carefully into his pedigree and I understand from some of the banks who are already here that one of the reasons which finally made them decide to come here was that they were given such a grilling by the Treasury on their pedigrees before they are allowed in that they thought it was a good place to come. I commend the Bill to the House Sir.

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 Committee Stage and Third Reading of the Bill be taken at a later stage in the meeting.

This was agreed to.

The House recessed at 5:50 pm

The House resumed at 6.20 pm

COMMITTEE STAGE

HON ATTORNEY GENERAL:

Sir, I have the honour to move that the House should resolve itself into Committee to consider the following Bills clause by clause, (1) the Gibraltar Museum and Antiquities Bill, 1982; (2) the Market Street Traders and Pedlars (Amendment) Bill 1982; (3) the Administration of Justice Bill, 1982 (4) the Banking Bill 1982; (5) the Port (Amendment) Bill, 1982; (6) the Trade Licensing (Amendment) Bill 1982; (7) the Traffic (Amendment) Bill 1982; (8) the Interpretation and General Clauses (Amendment) Bill 1982; (9) the Petroleum (Southern Rhodesia) (Repeal) Bill 1982; (10) the Supplementary Appropriation (1982/83) Bill 1982.

This was agreed to and the House resolved itself into Committee.

THE GIBRAITAR MUSEUM AND ANTIQUITIES BILL 1982

Clause 1

HON ATTORNEY GENERAL:

I beg to move that Clause 1 be amended by being renumbered as Sub-Clause (1) and adding the following Sub-Clause: "(2) This Ordinance shall come into operation on a date to be appointed by the Governor by notice published in the Gazette." The reason for this, Mr Chairman, if Honourable Members will look up the schedule to this Bill, is to include places which are both held for defence purposes and which are held for

MR SPEAKER:

I beg your pardon. You are now moving the amendment to Clause 1 only. Is that right?

HON ATTORNEY GENERAL:

Yes, Sir, that is right. The Schedules of ancient monuments and of protected buildings will in due course include both buildings and sites held by the Government and buildings and sites held by the Ministry of Defence, and we are in the process of settling the list of Ministry of Defence sites which would be so held. That list is not yet ready but in the meantime it is important that the present law which protects the number of such sites as ancient monuments should not lose its effect. The proposal therefore, is to allow this Bill to come into operation on a date to be appointed and in the meantime to finalise that list and to publish an Order under the provisions of the Bill completing the Schedule.

Mr Speaker put the question in the terms of the Hon 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 47

HON A T LODDO:

Mr Chairman, I think it is under Clause 19. This is a person who discovers any antiquity in Gibraltar. If the antiquity is portable it is to be delivered to the curator. Would a cannon be considered portable?

HON ATTORNEY GENERAL:

I think it very much depends on the person who discovers the cannon. It would depend on the circumstances, obviously. The one which sits at Fortress Headquarters, which is in any event already discovered, obviously would not be portable, some would be and some would not.

HON A T LODDO:

Mr Chairman, the reason why I asked this question is because I have noticed in a private dwelling a cannon mounted and I was wondering whether a cannon found on premises would be allowed to remain there or whether it would be considered portable and consequently would have to be handed in to the curator at the Museum.

HON ATTORNEY GENERAL:

I think, really, it would depend on the facts of each case,

some would be portable and some, obviously, wouldn't.

Clauses 2 to 47 were agreed to and stood part of the Bill.

FIRST SCHEDULE

HON ATTORNEY GENERAL:

Sir, I beg to move that on page 27 in paragraph 12, after the words "Governor's Meadow" the words "Estate to John Mackintosh Square" should be inserted. The reason for this is simply that there was an omission in the printing: Paragraph 12.

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.

HON A T LODDO:

Mr Chairman; I would like, under the First Schedule, to raise again the question of Parson's Lodge.

MR SPEAKER:

We are in committee and there is no reason why you shouldn't

HON A T LODDO:

Mr Chairman, when the Bill came up for the first reading I signified our appreciation for this Bill in that I believe that the best way to protect our heritage is through legislation and we welcome the Bill but I lamented the fact that one of our ancient monuments was not a protected monument under the schedule in this Bill, namely, Parsons Lodge. I would urge the Government at the Committee Stage to include Parsons Lodge in the schedule of monuments. I hope that the Government has had time to re-think and it will give the monument the value it undoubtedly has and the protection it most undoubtedly deserves.

HON A J CANEPA:

The position with Parsons Lodge is as follows and knowing that the Honourable Member would be raising the matter I brought up the subject at the Development and Planning Commission at our last meeting. Let me say that in view of the political climate prevalent earlier in the year, namely, the strong possibility that the frontier might open, the company

interested in the development of Parsons Lodge as an Hotel was given a final extension of time in which to submit details of their final resources. This extension expired on the 30th June 1982, last week, and the option is no longer valid. The Development and Planning Commission recently reviewed the situation in the light of the change in circumstances and the consensus of opinion was that whilst it fully supported the proposals for a first class hotel in anticipation of an open frontier situation, the change in strategy warranted a re-appraisal of the situation and it is considered by the Commission unlikely that a hotel development of the magnitude envisaged will now materialise. The Commission therefore feels that rather than allow the site to fall to waste a more modest development would be desirable. This would take the form of a tourist orientated development which could retain and exploit the military and historical character of the Battery. We are therefore proposing to gauge whether there is any interest in developing the site on these lines and if successful I think that that would secure the retention of the Battery without the need to make now a premature irreversible decision by listing it in the Museum Antiquities Ordinance. What I am afraid, Mr Speaker, of doing is that if we list it in the Ordinance we are virtually tying our hands completely and virtually no development of that size would be allowed, it would be very, very difficult to get a development once it was in the schedule that the Museum Committee themselves, perhaps, might go along with it because once you declare something to be an ancient monument then you are in trouble. Our thinking is that if we invite proposals of that type of tourist orientated development, something in the nature perhaps of a military museum something in the nature of what the Honourable Mr Loddó, the Honourable Mr Scott, the Honourable Dr Valarino and I saw in Port Regent in Jersey though not so elaborate because that was a multi-million pound project and I don't think we are going to get something like that but a military museum with a small theatre where an audio-visual presentation such as we saw of the history of Gibraltar which is much richer, the military history of Gibraltar than that of Jersey, something along those lines I think would be acceptable to the Commission and to the Government, we would be utilising the site, it would improve the tourist product but we would not be tying our hands completely about the use that a developer would make of the site and of the battery though of course, as I have said, our objective would be to retain its historical character and importance. Having done that, perhaps we could then in retrospect include it in the schedule once we knew what kind of development there was. I am saying no to including it in the Schedule, we will vote against that, and if I am not leaving the door completely open at least I am leaving a window open.

HON A T LOEDO:

Mr Chairman, I am greatly heartened by what the Minister for Economic Development has said and now I see that our journey to Jersey was very fruitful in more ways than one. I am pleased to hear that the door has not been shut, it has not been opened but it has not been shut. It has been left slightly ajar which is encouraging.

HON A J HAYNES:

On No 11 of the first schedule of ancient monuments which is the caves of archaeological interest, can the Minister state whether Upper St Michael's Cave includes Lower St Michael's Cave or not and if not why not?

HON ATTORNEY GENERAL:

I am not sure whether it has been agreed for that to be considered, I will have to check, but if it is an MOD occupied cave then what would happen would be that it would fall to be considered in a list to go into an order amending the schedule once we have cleared it with MOD.

HON A J HAYNES:

As the House will remember, I have asked questions on this cave before and the vandalism to which it has been recently subjected and I would like some steps, if possible, taken to ensure that it is either included or protected.

HON ATTORNEY GENERAL:

What I can do is undertake to check and see whether it is one of the proposed ones. I have a feeling it must be because it is such a prominent site but I will check and come back.

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

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

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

THE TRADE LICENSING (AMENDMENT) BILL 1982

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

Clause 2

HON P J ISOLA:

Mr Speaker, with regard to clause 2 I was glad to hear the explanation given by the Minister for Economic Development and Trade, that one had not occurred to me. I was surprised to hear, in fact, that licences have been given in respect of premises that are obviously not trading premises and I agree entirely with him that if the main purpose of that is to stop particular premises being used for a whole series of licences, I agree entirely with what he says. Could he, however, give us an assurance that the Trade Licensing Committee will not use this licence to upset the normal course of business, genuine situations that I think do occur and have occurred in my experience of people moving out of premises and somebody else coming in.

HON A J CANEPA:

They have never done so. The position is that they asked for this amendment and the Government agreed, I agreed that I should bring such an amendment to the House. If it is not going to work properly I would feel it my duty to tell the Trade Licensing Authority; "You asked for this, you are not playing fair, the procedures that you are adopting, the decisions that you are reaching, are inconveniencing people, this is not playing the game, unless you conform to the spirit of what you yourself intended I would feel free to advise the Government that we should then bring an amendment ourselves that the Government itself should initiate the amendment." I think that one is in a strong position because one is responsible to an initiative from the Trade Licensing Authority.

HON ATTORNEY GENERAL:

Could I just add by way of explanation, Mr Chairman, on the machinery side of things. I had a look at the provisions of the Ordinance. It is possible for the Trade Licensing Authority to say: "We will grant a Trade Licence even though there is already a Trade Licence in the premises because we know that the person already there plans to move out and to safeguard both sides there is provision in the main Ordinance for the authority to be able to make the moving within a reasonable time a condition of the grant." I think, therefore, that there is no express amendment to the principal Ordinance

necessary to cover the point that was raised this morning. the machinery is there.

HON A J HAYNES:

Mr Chairman, can I have an assurance regarding the point which I raised in connection with the empowering of the Trade Licensing Authority to refuse to grant a licence of any premises if there is in existence a licence in respect of such premises in the circumstances which I enunciated i.e., where there is a business being carried on at No X Main Street, and somebody else proposes to conduct a business at the same premises using perhaps the same facilities, sharing an office, that they will not be precluded from using those premises as the premises from which they conduct their business.

HON A J CANEPA:

I cannot regulate the proceedings and the decisions of the Trade Licensing Authority in respect of all cases that may come up, I think they have to look at each case on its merits. But if this particular subsection is going to be used for a purpose which it is not intended and I have given the rationale for it, as I say, I would speak to the Chairman in that respect. I try not to get involved because the Trade Licensing Authority is a quasi judicial body and as Minister I think it would be wrong for me to get involved. But where policy is concerned in that respect I would take it upon myself to ask the Chairman of the Trade Licensing Authority that they really have to view the matters in the manner in which the Honourable Member has said. I think I could convince the Authority that that should be the case. Members of the legal profession are very closely involved, obviously, in the work of the Trade Licensing Authority and appear very often before them. I get the minutes of all meetings and thereby I keep myself informed so I would be able to monitor the situation and Honourable Members of the House who are members of the legal profession and are involved in this matter I think would have an opportunity of bringing anything to my notice which without my getting involved in the merits of any particular case might be a departure and if it were to involve the Authority using the section for the purpose which it is not meant having regard to why they ask for the amendment to be put. It is quite specific in the minutes of the meeting as to the reason why.

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

Clause 3

HON J BOSSANO:

I wish to move a number of amendments to the different components of Clause 3 which would have the effect of making the same provision in respect of printing as the present Bill does in respect of shipping agencies. I move that clause 3 be amended as follows:-

(i) in sub-clause (1) by the deletion of the fullstop and the addition of the words "and printing", after "shipping agencies"; (ii) in sub-clause (2) by the addition of the words "or printing" after the word "agent" in the final line thereof; (iii) in sub-clause (3) by the insertion of the words "or the business of printing" after the word "agent" in the fourth line thereof and (iv) in subclause (4) by the insertion of the words "or business or printing" after the word "agent" in the fourth line thereof.

Mr Speaker, obviously the purpose of the amendment is straightforward and simple, it is to provide the same protection to existing businesses in the printing industry that exists in other industries which cover practically every other area and on which we have on different occasions added. Just like we are adding the shipping agencies at this time there was the case where the transport contractors made representations and at one stage the House amended the law to include them. Before that it was the question of building contractors and electrical contractors and so on. Exactly the same argument applies to printing and with the possibility, however remote it may be, of an open frontier, the arguments for the printing industry are even more compelling than they are, I think for example, for shipping agencies or the construction industry and so on where the work involved requires a physical presence in Gibraltar. In the case of the printing industry there is no question about it that if there was no need for a trade licence in Gibraltar presumably there would be nothing to stop competition from across the frontier taking away the work from the local printing companies and I don't know what that would do as far as the press is concerned. I imagine that at least two reasonably identifiable newspapers might have no difficulty in getting printed across the border but I can well imagine that most of the others whose views tend to be generally speaking, anything but palatable to the Spanish point of view over Gibraltar, could find themselves in a situation where they would have to depend on a Spanish printer when they might be attacking a Spanish point of view. Quite apart from that, even those papers, I think, which have got their own printing resources, could find themselves in a highly difficult situation if the only printing they have was the printing they provided themselves from the fact that the same company owns the printing press and the newspaper because if the rest of the commercial printing they are doing today, went then, clearly, the entire cost of

the operation would have to be carried by the paper which is a very difficult thing. I think that it is an industry that merits in the first instance the same protection that we are giving everybody else. Secondly, it is an industry that is obvious by its very nature more vulnerable to external competition because it is easy enough to get stuff printed and bring it in. It is easier to do that, certainly than it is to build a house in Gibraltar with an external construction company and, thirdly, it is an industry which is directly linked with the existence of a free press in Gibraltar, there are half a dozen printers in Gibraltar and therefore with the limitation of a trade licence being granted automatically to those six, they would be able to defend their commercial interests in objecting to a new printing company if one appeared if they thought there was not enough business to go around but in any case with six or so, I imagine that there are about that number from the contracts that one sees being put in for government tenders and so on, with that sort of number one cannot say that one is in a monopoly situation and that one is forced to go to one single printer because one can pick and choose. Therefore, I think that it is the right opportunity that the Trade Licensing Ordinance is being amended to afford protection and I can tell the House that I have been approached myself by the different printers asking me to raise the matter in the House when an opportunity arose and I agree with their view and this is why I am bringing it up.

MR SPEAKER:

I will propose the question in the terms of the amendments moved by the Honourable Mr Bossano.

HON CHIEF MINISTER:

I want to say something that the Honourable Mover has not mentioned but which I feel ought to be mentioned and remind Members. We were also approached by the printing trade and I innocently brought in a proposed amendment of adding printing, but lo and behold, the Honourable Members in the Opposition raised almost hell about it because they thought it was an attack on the freedom of the press by controlling printing. We were doing it in the interest of the printers. We could see that there was some argument in that and we withdrew the amendment in deference to the arguments which were raised. I think the Honourable Mover will have to make a much better case to safeguard the question of printing before we can accept that because since then we have been able to look at the constitution and it could be argued that it could breach some element of the constitution which provides for this right to be maintained. The Attorney-General is not completely convinced that that will be the case but he says it is a possibility. The funny thing about this is that printing establishments are agitating for this in order to avoid competition. Yet it is within our knowledge that

tenders which the Government has accepted from local printers are executed in Tangier, so that in fact we issue tender documents and now, of course, we may have to say that the thing has got to be done here, but it is a fact that some local printers tender cheaper and send the printing to Tangier.

HON J BOSSANO:

Mr Speaker, is it not the case that without any provision in the Trade Licensing Ordinance anybody can tender?

HON CHIEF MINISTER:

And with the provision in the Trade Licensing Ordinance.

HON J BOSSANO:

No, because isn't it a condition of Government tenders that the people must have a valid licence.

HON CHIEF MINISTER:

Let us assume for one moment that the amendment has been passed, that printers require a licence and that the printing people in the industry now are automatically given a licence as we have done with Shipping firms, on application they will get it because they are here, and then they tender for a Government tender, they get it because it is cheaper and instead of printing it themselves they send it to a subsidiary or somebody in Tangier or for that matter, in an open frontier, to Spain. They are the Licencees and they have got almost a monopoly situation in that respect. That is why we want to be convinced a little more about this. We have had a problem now which we are considering but which is the question of potential, and that is the reprinting of the laws which is a very big contract and we want to give local trade an opportunity but if the local printing industry cannot take it we will certainly limit it to it being printed in the United Kingdom and it may well be that tender documents in future for printing to protect those who do all the work in Gibraltar we will have to say that the condition of the tender is that the printing has to be done in Gibraltar except for small matters or small cases and so on. There was one case in which the printing was done in England, that was raised by Mr Restano, but that was a very small item something like £300 worth of printing. We are really in a very difficult situation and in a difficult situation my advice is always to say no.

HON MAJOR R J PELIZA:

Mr Speaker, It will be recalled that it was myself who raised this matter and I think the Chief Minister has made a very good case today why the principle that was noted at the time and has been followed in this amendment should, I think, prevail. I don't think that Mr Bossano has said anything today that convinces me to the contrary. I think a distinction must be made between the ordinary trade and a trade that really affects the freedom of expression. This is, I think, the great difference and cannot be associated, the printing cannot be associated with the shipping agencies or anything like that. It is at the root of democracy, this is why I stood up and spoke. It is not a question of whether one firm can outlast another one because the other one is more powerful, it is the fact that any individual, even with a small printing machine, can go ahead and produce a paper in 24 hours. That is what is at stake. That individual hasn't got to go anywhere to ask permission for the printing of that newspaper which he may decide to produce as a leaflet, a pamphlet, tonight, if need be, because he doesn't agree with what I am saying or with what the Chief Minister is saying or with what Mr Bossano is saying. This I think, is the reason why I spoke then and I speak now. I think that if Mr Bossano gave it careful thought he might see that there is a great difference between one and the other.

HON J BOSSANO:

I cannot accept for a moment that a little individual producing a little leaflet with his own little duplicator because he doesn't agree with the Honourable Member is in the printing business. For me, clearly, when you are talking about licencing somebody to carry out the business of printing it is a business organisation where that person is doing work for somebody else and charging. There is nothing to stop anybody, because printers require a trade licence, from printing for himself whatever he wants or for getting it printed outside Gibraltar for himself, what he cannot do is go into business.

HON MAJOR R J PELIZA:

Mr Speaker, perhaps I oversimplified the argument because I didn't think that he was going to come out enlarging on that but if he wants to enlarge on that then I can as well. It is obvious that a newspaper by itself may find it extremely difficult to exist unless next to it it has got a printing business. Therefore, it isn't quite as simple as he expresses it. In other words, there might be occasions where to have a newspaper you have to have a printing business next to it and this is the reason why I would not agree with what Mr Bossano

is saying. I think he should make a distinction and in this instance I think we must give priority to freedom of expression before the business profitability and this is what it all comes down to. I don't see the situation where a Spanish newspaper or printer can come here and literally flush the market, I cannot see that situation. There would be strong objection in any case in Gibraltar itself, particularly because it is concerned with a matter that will so undermine the position of Gibraltar. I don't see that situation arise at all. As to the question of printing the easiest thing would be for any stationer in Gibraltar literally to take work, get it done outside and bring it printed here and I cannot see a way of stopping that happening unless we are going to have another law saying that printed matter cannot be allowed to come into Gibraltar without a special permit and that would almost be censorship. I don't think that that would be possible or reasonable or desirable and therefore, Mr Speaker, I oppose the amendment by the Honourable Member.

HON P J ISOLA:

Mr Speaker, we have made our views clear on this before. We were also approached by the printers and in fact one of the most vociferous of the printers on this matter and one who got most excited about it was in fact the Gibraltar Chronicle printer, I should say. I think they print "The People" with which the Honourable Member is connected. I complained, we gave them our view of the situation. We told them that for us the overriding principle was freedom of expression, that we could not put restrictions on people who might wish to produce a newspaper and in order to support financially such a newspaper would inevitably have to have a printing business because the publication of a newspaper is not profitable and that is why I mention people who have got a newspaper have to go to a printer to print it or if they want to make a success of the newspaper a printing business has to go with it. I say that, Mr Speaker, because our main objection and fundamental objection is the objection of principle of freedom of expression. But we don't accept the argument of Mr Bossano and, indeed, the argument put forward by the printers on a commercial basis because what we pointed out to them and what I would point out to the Honourable Mr Bossano, that for a new printer to establish himself in Gibraltar, he has to pay an enormous amount of money for new equipment, he has to find the premises which are just not available and then set up his printing business and we told the printers that with an open frontier situation the Spaniards would be crazy to do that. They have got their own printing business in La Linea, what they would do is advertise in Gibraltar, get your printing done in La Linea and what the printers ought to be thinking of is some way of stopping people doing their printing outside Gibraltar because that is where the competition is going to be, not in Gibraltar because anybody who sets up in Gibraltar

has to have the same system of wages, the same costing and everything else so there is no competition in Gibraltar. This is what we told them on a commercial basis, Mr Speaker this was some time ago, I think it was about a year ago, and I think the Government, quite rightly, when they introduced the amendment, when they heard the objection, they told them that unless everybody in the House agrees, they were not prepared to go along with this because there are some fundamental principles involved. But let me tell the Honourable Member another thing. The other day, when the Gibraltar Chronicle came out with its new format, which I am sure all Honourable Members will agree, is disastrous and was the most ugly thing imaginable, I rang up the editor and said: "What are you doing, why have you changed the format to your newspaper?" The answer was, money, or rather lack of it. He said: "A newspaper just doesn't make money." It is the printing that subsidises it. Perhaps, if the Chronicle were to say, for example, that is why I mentioned "The People", if they were to turn to this Member and say: "Look I am sorry, but for me to make money out of "The People", or make real money, I am going to have to charge you double what I am charging you," my Honourable Friend would be very, very upset about it. But that is the reality that a newspaper just is not business. They tell me that they can only keep it going because they have got a printing business. Let me get to the next point, Mr Speaker. As I understand the position, the Chronicle Printing Works have got probably more work that it can cope with because there is a demand for work and I think what the Honourable and Learned Chief Minister said that he has discovered that somebody advertised and tendered and then had the work done in Tangier cheaper, may be (a) because the costings are such that he couldn't take extra labour because it wasn't worth while because of the tender conditions and so forth, or (b), it may be that there just isn't the labour or specialised labour available, I don't know. What I do agree and we did say this to the printers, and I think my Honourable Friend Mr Restano said it in the House, we would like the Government and I think they do do that, when grating tenders for printing of a reasonable size that they should give preference to printers established in Gibraltar. We would go along with that absolutely, 100%, administratively. But what we cannot go along with is to protect a trade that for better or for worse is inextricably bound with the freedom of expression of people, we just can't do it, and we don't think they need it but we can't do it on principle, even if there was any need, but we don't think a need has been made out with respect to the Honourable Mr Bossano. I know that the people who publish "The People" are most vociferous on this and I am sure he must hear this every day he takes the paper to be printed. We have told them, we have explained to them and we have told them that as far as we are concerned preference must be given to the local printers in contracts from the Government. If there is going to be competition the only competition is from the private sector and the only competition

I can see in the private sector is people taking their printing elsewhere. So it is not going to help them at all to put printing under the Trade Licence Ordinance but it is going to damage a very important principle, the principle of freedom of expression. In fact, it is in the Constitution and I think the Honourable and Learned Chief Minister has got a point when he says we think it might. I think it might, if my party wants to publish a paper, let us suppose all the printers are on the Government side, they could stop us publishing it by quoting us a price that we could not meet. They could say: "I am sorry, but if you want a paper, and publishing a newspaper just isn't good business so you will have to pay £1000 for 200 copies per week," which we know we can't raise, from advertising or anything else, so we would be deprived of doing it. There are so many connotations. We have great sympathy for printers but with great respect to them bringing them under the Trade Licensing Ordinance is not going to protect their business but it is going to breach the fundamental principle of freedom of expression.

HON CHIEF MINISTER:

I also have to say that this question of freedom of expression is in the Constitution and if it comes to the crunch with the present facilities for reproducing, photocopying and so on freedom of expression can flourish anywhere. Even if it is a pamphlet it can be done privately. In the wider sense of freedom of expression, yes, in the smaller sense, no. I think if anybody wants to say anything that will not be printed by a reputable printer he can still go and have his copy typed and have it photocopied and distributed. But still the principle could be affected and we were convinced by that. We didn't really take that into account when the matter was put up but we don't think that a case has been made out.

HON J BOSSANO:

Mr Speaker, I don't accept that the argument that has been put about the freedom of expression is a valid one. Do I have the freedom of expression to choose between two television stations or two radio stations in Gibraltar? No. Does that mean that I am entitled if I think that I am not getting a sufficient opportunity on the existing one to set up my own radio station and my own television station? Because if that is what the constitution says then, perhaps, one should challenge the monopoly of radio or the monopoly of television in Gibraltar because that is very intimately linked with the freedom of expression. One talks about playing to the gallery here, well I don't think we can even play to the press anymore because whatever the concern they may have here about the freedom of expression does not seem to be shared, Mr Speaker,

I am convinced that the printers have got the same arguments that any other business has got for seeking protection and I do not think it is good enough to say to them: "It is unfortunate that you happen to be in a line of business which is connected with putting out views which people under the Constitution are entitled to put and nothing must be done to deprive them of it." The argument now is, as I said, there are six printers. I can tell the House that "The People" newspaper has had two different printers in two years of existence presumably tomorrow if the price they pay the Chronicle was considered too high they would seek a better price from one of the other competitors. Clearly, if there was limitation put on new printing business being set up, it would be limited to competition within the existing field but in that situation what the law says in respect of trade licensing is that anyone can attempt to start up a new printing business or any other business that is controlled and it is up to the people who don't want the licence to be given to object and to show why, under the terms of the Licensing Ordinance the needs of the community are adequately met. Surely, if the situation was that all the printers in Gibraltar were licensed under the Trade Licensing Ordinance and all of them were controlled by the Chief Minister, and the Leader of the Opposition wanted to start an alternative printing works in order to print his newspaper then, surely he could make the case to the Trade Licensing Committee to show that the needs of the community were not being met because his needs couldn't be met because there was a political monopoly controlling all existing printers. I don't really think that there is any genuine danger at all to freedom of expression in Gibraltar because we give the same protection that other businesses have got in Gibraltar to the business of printing and I think if we were concerned about that point then we could try to introduce safeguards in the conditions attached to the licence. I accept that the Attorney General may have some reservations about the constitutionality, I find it very difficult to believe that this is so but it would have to be tested in court and I would certainly like to see it tested in court.

HON ATTORNEY GENERAL:

I think that the point is not a clearcut point in the Constitution and as the Honourable and Learned the Chief Minister has already intimated I think it is a point which can be taken. On the question of telegraphy and wireless transmission the point I think they wished to make is that there is an express saving for the control of those activities in the clause in the Constitution which deals with freedom of expression which I must say does rather, to my mind, reinforce the view that perhaps the control of other activities might be a contravention to that clause of the Constitution but if the Honourable Member will refer to it it does expressly say that telegraphy and wireless transmissions

are taken out of the scope.

HON MAJOR PELIZA:

Just referring to the question of having a television station or a wireless station, this I think is going from the sublime to the ridiculous because we all know that first of all to start a station involves a considerable amount of money and even so it may be interfering with established wavelengths and so on and so forth which is a matter of international control and obviously that is completely out of this argument it is a red herring I think, Mr Speaker, that stinks and shows the lack of argument that the other speaker had before because on the ground on which we are arguing which is the printers' work which is in fact the basic freedom, the very basis of freedom within the printing works. The spoken word disappears one doesn't hear about it anymore but the printed word stays forever and this is the basic strength of freedom of expression in the printed word and this is what I stand here to defend. I have defended it before and I will carry on defending it for as long as I am in this House and I hope that Mr Bossano will see the great implication of this principle which I think everybody in this House should be prepared to safeguard at all times.

HON A J HAYNES:

A very short intervention, Sir. My concern is that Mr Bossano has taken the attitude that it cannot happen here and I am afraid it can happen here as it can anywhere else. Freedom of speech and other rights if you don't make provision for them can be eroded and this has been seen all over the world today. And moreover the Honourable Member if he has an interest in the printers can consider advising them to form a guild or some other such society which will protect their interests and which shall obviate the need for proposing legislation which potentially could put one of our rights at risk. Liberties which have been fought for and developed over hundreds of years are not going to be dismissed at the stroke of a pen.

HON J BOSSANO:

Mr Speaker, I am not saying that it is impossible for Gibraltar to become a dictatorship, indeed, there are people who believe it already is. What I am saying is that it is not going to become a dictatorship as a result of my amendment today in the House of Assembly. Of that I am convinced. Therefore the arguments I do not think hold water. It may be a matter of principle, it may be a matter of philosophy, I accept all those things, but I don't believe that in practical terms if we pass the amendment that I am moving, Gibraltar would suddenly find

that its basic freedoms were being eroded overnight and that the freedom of expression had disappeared, nor can I accept that if that were the case the House of Assembly was powerless to reverse the decision if it materialised and therefore I am still asking for the matter to be put to the vote although I know I am going to lose it.

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

The Hon J Bossano

The following Hon Members voted against:

The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Raynes
The Hon P J Isola
The Hon A T Loddio
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Member was absent from the Chamber:

The Hon I Abecasis

The amendment was accordingly defeated and Clause 3 was agreed to and stood part of the Bill.

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

THE MARKETS, STREET TRADERS AND PEDLARS (AMENDMENT) BILL 1982

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.

HON G RESTANO:

At the second reading I made two points which the Minister said he would be looking at. One was that the provisions of the Landlord and Tenant (Miscellaneous Provisions) Ordinance should apply in this Ordinance rather than the six months laid down in 5(4) and the second point was that

it might be advisable to advertise in the Gibraltar Gazette both the availability of stalls and other areas in the market place and the subsequent allocation of these. He did say that he would have a look at this during the second reading and I see that no amendment seems to have been put forward although he said that he thought that he would be giving this sympathetic consideration.

HON J B PEREZ:

The first point that I was asked to look at by the Honourable Member opposite had nothing to do as to whether the Landlord and Tenant (Miscellaneous Provisions) Ordinance applied to stalls or not. What the Honourable Member asked me to look at, because he was querying whether in fact we should only give instead of a monthly tenancy which they have had so far, the Government was now giving a six monthly tenancy and the Honourable Member opposite asked how the Government had come about deciding on six months and the explanation that I gave was two-fold. I said we were basing the six months on the six months notice to quit required under the Landlord and Tenant Ordinance, that is where we got the six months from, but the second point which remains the position now, this is why we have not increased the six months to one year as had been suggested by the Honourable Member opposite, that is what he asked me to consider, is because we feel that it could be unfair on the actual trader himself because if you have six months notice to quit it works either way. If a particular stall holder in fact finds that he wishes to close that particular stall because it is not making a profit, it is not even economical, then all he is required to give the Government is six months notice. If we make him give us a year it is a year's rent he will have to pay so the Government feels that at this moment in time we were on safer grounds, thinking in particular of the traders, to leave it for six months and see how we progress. The second point that Mr Restano raised at the Second reading was the question of advertising. The Government feels that as far as the allocation of stalls is concerned, that we should continue to do so as has been done for many years and that is on a first come, first served basis. I can assure the House that any person wishing to take a stall can write to the Department and in fact he can go to the Department and he will be shown the list with the different dates on which applications have been made. As far as that is concerned the Government feels that that procedure ought to be continued. As for advertising let me assure the Honourable Member that once a stallholder is successful in taking a stall at the market, he will then have to apply for a trade licence and therefore it would appear in the Gazette. However, the third point is that we would have no objection when a stall has been allocated to a person to make it public. That we can do and there is no need to amend the Bill in order to achieve that.

HON G RESTANO:

Where would this be made public, Mr Chairman?

HON J B PEREZ:

This would be made public in the Gazette, that can be done when the allocation is made. I can assure the Hon Member that there is no mad rush for stalls.

HON P J ISOLA:

Mr Chairman can I ask the Minister, has he considered the position now that the stalls are being let for rent as opposed to a fee or something like that, that in fact those stalls in the market are protected by the Landlord and Tenant Ordinance?

HON J B PEREZ:

I am not here to give legal advice, for that we have the Attorney General, but in my view, no, they would not come under the Landlord and Tenant Ordinance.

HON P J ISOLA:

If I remember rightly I haven't got it in front of me, the Landlord and Tenant (Miscellaneous Provisions) Ordinance applies to all tenancies and the Government is bound by it. If you describe a particular premises as a tenancy, on what grounds does the Government consider that the Landlord and Tenant partly doesn't apply and should not the tenant have the same protection in the market as other people have in other government dwellings or private accommodation?

HON CHIEF MINISTER:

The Landlord and Tenant (Miscellaneous Provisions) Ordinance does not apply to the Crown in respect of dwellings, that is quite clear.

HON P J ISOLA:

Well somebody has been arguing to the contrary, I am talking of Part 3.

HON CHIEF MINISTER:

That has been argued to the contrary with certain reservations

but I think we are going to deal with that very quickly. The view is that it does not apply to the Crown but the Crown in respect of dwellings has always followed it, without legal commitment it has followed it in terms of being a good landlord. I think it applies in respect of business premises, I think there is a difference there and that is the point that the Honourable Minister raised.

HON P J ISOLA:

Yes, that is the point I am making. Part 3 which is the one that deals with business premises applies to the Crown and I would certainly like to hear what the Honourable Attorney General has to say on this. If this is described as a tenancy in the Ordinance, on what basis does the Government say that it is not a business tenancy and therefore Part 3 does not apply?

HON J B PEREZ:

It is a tenancy in the same way as you have the Labour from Abroad (Accommodation) Ordinance in which there is a legal decision by the Supreme Court that in fact it overrides the Landlord and Tenant Ordinance and there is a Court of Appeal decision on that.

HON P J ISOLA:

Mr Speaker, that is an entirely different situation, surely if I may tell the Honourable Member and I am sure he knows, the Ordinance he has referred to does not refer to people there as being tenants. Here the Government in a Bill is calling them their tenants, paying a rent. On what basis can Government say that they are not subject to the Landlord and Tenant Ordinance? We have got an amendment saying that Part 3 should apply. We have got it there to put if necessary but I would have thought we were going to be told that it did apply.

MR SPEAKER:

With due respect, I have called clause by clause and nothing has happened. It is only when I have said The Long Title stand part of the Bill that the Hon Mr Restano got up.

HON P J ISOLA:

My Hon Friend got up because we were looking at it.

MR SPEAKER:

With due respect, the Honourable Member got up after we had done the Long Title.

HON P J ISOLA:

Mr Speaker, after clause 3 you came to The Long Title and we had misread the Bill. We were expecting Clause 4 next and that is why we stayed sitting down.

HON ATTORNEY GENERAL:

If I may comment on the matter. May I say, with respect, the way this Bill is laid out I think the clause numbering is a little confusing because Clause 3 is putting in a lot of new sections and it is not easy to pick where one is. My view on this is, in fact, that Part 3 of the Landlord and Tenant (Miscellaneous Provisions) Ordinance would apply to this type of holding subject, I think, to the particular qualifications that are in that part to a rather limited purpose. That is one of the reasons I put in sub-clause 5 of Clause 5 "notwithstanding any other provisions in any law". As I see it this is a Bill dealing with a narrower class of tenancies from the overall ambit of the Landlord and Tenant Ordinance and I take the position to be this and I hope I have achieved it. That notwithstanding anything in the wider Bill, by virtue of sub-clause (3) of Clause 5, the rentals to be paid for this type of holding will be as set out in that sub-clause being a more particular provision and certainly so far as recovery of the holdings are concerned there are specific provisions here which I think would clearly override, I think they both override, I would not want to qualify my view, but I think they both override the more general provisions of the Landlord and Tenant (Miscellaneous Provisions) Ordinance.

HON P J ISOLA:

Mr Speaker, our amendment was going to read "except as provided in paragraph 5", which gives provisions for obtaining possession. I am glad the Honourable and Learned Attorney General has said what he said and in those circumstances we do not need the tenancy but what I did say in the second reading, whether Government had given consideration as to whether it might not be necessary to exclude them specifically from Part 3 because of the nature of the Public Market. Our own feeling on this side was that people in the Public Market should have the same protection as tenants of the Government as any other Government tenants anywhere else subject to these provisions. Having heard the Honourable and Learned Attorney General, I

am happy with that particular position.

HON A T LODDO:

Mr Chairman, on clarification. I don't know if I have to declare an interest. I heard the Minister say earlier on that anybody wishing to apply would be shown the list where all the applications were kept and two minutes later he said that there was no mad rush for stalls. Is there a waiting list or isn't there a waiting list?

MR SPEAKER:

You can ask the Minister that later on if you wish to find out but not now.

THE ADMINISTRATION OF JUSTICE BILL 1982

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

Clause 3

HON ATTORNEY GENERAL:

Mr Chairman this is the first of two amendments I have which are really of a drafting nature but I think will improve the wording of the Bill. I wish to move in Clause 3, in the new Sub-Section 4, that the words "sub-section" be omitted and the word "section" substituted, that is simply a drafting error, and in the same new Sub-Section 4, to omit paragraph (b) and substitute the following paragraph: "(b) 'a fit person' includes the Director", this is a much simpler way of saying the same thing.

Mr Speaker put the question in the terms of the Hon The Attorney General's amendment which was resolved in the affirmative and Clause 3, as amended was agreed to and stood part of the Bill.

Clause 4 was agreed to and stood part of the Bill.

Clause 5

HON ATTORNEY GENERAL:

This is a consequential amendment on the substance of the Section. I move that this Clause be amended by adding the words, "and substituting the words 'or 31 days,' whichever expires the later". The reason for that is that the

substantive effect of this provision is to remove the requirements that you have to serve one year in prison before you are eligible for parole. It was never the intention and nothing in this Bill removes a requirement which listed elsewhere in the same Ordinance that you must serve at least a month imprisonment before you are eligible for parole and for completeness of reference I think it is necessary to have this cross reference to that fact otherwise it could be confusing.

Mr Speaker put the question in the terms of the Hon Attorney General's amendment which was resolved in the affirmative and clause 5, as amended, was agreed to and stood part of the Bill.

Clause 6 was agreed to and stood part of the Bill.

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

THE PORT (AMENDMENT) BILL 1982

Clauses 1 to 10 were agreed to and stood part of the Bill.

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

THE TRAFFIC (AMENDMENT) BILL 1982

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

Clause 2

HON A J HAYNES:

Clause 2, Sub-paragraph 1. Specified fixed charges. Can we have any indication on those specified fixed charges?

HON H J ZAMMITT:

At the moment I think the removal fee under the old Ordinance stands at something like \$20. I think it is \$5 and \$20, there could be a fixed penalty to it but as I said under the Regulations I am afraid I have not as yet got any indication but the Attorney General may have some indication of the costs involved. I should say that there was a time in the old Ordinance where there was a \$2 penalty which would be totally unrealistic and I think it should be something of substance to make it realistic as to the actual costs involved in the craning, parking and the required police effort.

HON A J HAYNES:

Is it going to therefore just be on a costs basis or is it going to be punitive as well?

HON H J ZAMMITT:

No, I think it is going to be the cost it would take the police to carry out this function. I don't think there would be a penalty attached to that. There could well be the cost factor plus the parking ticket situation of the fixed penalty. I think that probably would happen.

HON ATTORNEY GENERAL:

I would myself treat them as separate elements. Removal costs I would advise Government should be costs as such to refute the expenses. I think the question of whether one is liable to a penalty for having contravened the parking requirement is probably a separate matter and the penal element would be covered there.

HON A J HAYNES:

But in any event the Minister anticipates the cost in excess of \$25. Can he put a ceiling figure on any?

HON H J ZAMMITT:

I do not know what the costs would be at this stage.

HON A J HAYNES:

Would the Minister wish this legislation to be enforced if, say, the costs were \$250?

HON H J ZAMMITT:

Well, if that is what it costs, yes, it will be \$250. I very much doubt it will be \$250 but if it is the cost I don't think the Government or the taxpayer should be burdened with the expense of carrying out something to the taxpayers' detriment.

HON A J HAYNES:

This brings me Mr Chairman to the point I raised in the general debate which was not answered, regarding the

comparative cost of immobilisation rather than throwing away. Will the Minister, who has now told us that he has come to this House proposing legislation the cost of which he does not know, state whether or not he made any enquiry regarding immobilisation and the comparative costs?

HON H J ZAMMITT:

Mr Speaker, I am absolutely surprised that the Honourable Member has failed to understand the reasoning for this. We do not want to immobilise vehicles that are causing obstruction. We do not want to immobilise vehicles that are there and they shouldn't be there. In fact, the whole object is to get them away from there.

HON A J HAYNES:

I am not raising the matter other than to clarify a point, Mr Speaker, insofar as it appears that the Minister has brought legislation to the House without knowing the cost of enacting the legislation and without stating whether or not he has investigated a cheaper alternative.

MR SPEAKER:

We must not go into the cost of implementation at this stage.

HON A J HAYNES:

Mr Chairman, what specified fixed charges are going to be introduced as a result of Sub-Clause (1)?

HON ATTORNEY GENERAL:

That matter is still with officials and a recommendation has to be made to the Minister.

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

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

THE INTERPRETATION AND GENERAL CLAUSES (AMENDMENT) BILL 1982

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 PETROLEUM (SOUTHERN RHODESIA) (REPEAL) BILL 1982

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 (1982/83) BILL 1982

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

SCHEDULE

Consolidated Fund Schedule of Supplementary Estimates No 1 of 1982/83

Item 1, Head 20 - Public Works Annually Recurrent was agreed to.

Item 2, Head 22 - Secretariat

HON W T SCOTT:

Mr Chairman, can we have some indication from Government as to when the final report of the Committee of Inquiry into the Electricity Undertaking will be completed?

HON CHIEF MINISTER:

The report has been completed and was delivered to Government about a fortnight ago. The Government is looking into it now.

HON W T SCOTT:

Am I to take it then, Mr Chairman, that we look forward to receiving a copy in the near future?

HON CHIEF MINISTER:

Yes, despite the fact that Members opposite didn't help in the deliberations of the report. There are two reports, there is an interim report and a full report. The matter is being looked into and I don't see any difficulty in giving copies once the Government have reached their decision.

HON P J ISOLA:

Mr Chairman, the original provision in the estimates was £15,000. The supplementary provision now is £8,000 described as a revote. Is the total cost of the Inquiry going to be £23,000 or is it going to be £8,000? What is the total cost? It is not clear I am afraid.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The projected total cost of the inquiry is about £25,000.

HON P J ISOLA:

And why is it described as a revote?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Because it is money which was voted last year and it wasn't used.

HON P J ISOLA:

But in the estimates this year we voted £15,000.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

But there was some money last year which we had expected to pay bills, we didn't get the bills and they were paid out of this year so there was a saving on last year's vote.

HON P J ISOLA:

So the cost of the inquiry is going to be about £25,000. How does that compare with the costs of the departmental inquiry into the Public Works Department?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I haven't got the figure at hand, Mr Chairman, I will let the Honourable Member know.

HON P J ISOLA:

Because it seems to me, Mr Speaker, that this inquiry has cost rather more than the last one and I was about to make the comment that everything concerned with the Electricity

Department always seems to cost more, even inquiries.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think the reason is Sir, that Electrical Engineers come rather expensive compared with Civil Engineers.

HON MAJOR R J PELIZA:

Mr Chairman, Civil Defence, £2,750. Could an explanation be given as to what this entails, what this expenditure is going to produce and also an indication of how far we intend to go with Civil Defence? This is a very costly matter. I know that before the last war we went very thoroughly into it, we built shelters all over the place and we had quite a good organisation but that was very costly. Can an explanation be given as to what is likely to happen and who is going to share the cost of this.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, the Government considers, following consultations with the Defence Department, that they must accept responsibility for civil defence and the first prerequisite is to have some idea of the level of civil defence protection that we require insofar as to what extent does one want protection against nuclear fall-out, chemical and biological warfare, etc. There is a whole list of questions eg., what reserves of food will be required. The proposal is to appoint a local person who is fully fitted to undertake this work for a period of about 3 months and the fee reflected here is based on a quarter of an SEO's salary.

HON MAJOR R J PELIZA:

Let me add, Sir, that I haven't asked this question because I object to civil defence in fact I believe this is something which we should look into very thoroughly. I believe that, generally, very little notice is being taken of this and perhaps the day may come when we will regret it very much. It is not that I am against it but it is just that I want to find out how far we are going and, if anything, I would encourage that we should go further. The only question is how much can we afford.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This is just to find out how much we want and then we decide what we can afford.

Item 2. Head 22 - Secretariat was agreed to.

Item 3. Head 56 - Treasury was agreed to.

Item 4. Head 28 (n) - Contribution to Funded Services.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This is a new Head, Mr Chairman, which covers, as I explained in my second reading speech, the contribution to funded services which were put forward by the Government in the Finance Bill would have to be voted now because they could not be voted in the original estimates.

HON P J ISOLA:

Mr Speaker, I was expecting to find in the full amount voted now in the supplementary legislation with the amount provided for in the Approved Estimates of 1982/83. We are providing for about £11,000 more than in the Estimates but I notice in the Estimates the water supply subsidy was treated as £99,000 and here we are voting £75,000 or is it for shipping somewhere else. It is, is it? So the increases in this Appropriation Bill is accounted for by the extra money for the Inquiry and the Civil Defence?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If I may point out there are five elements basically on page 5 of the Financial Statement and the £99,000 is the potable water subsidy to hotels and shipping which is separately set out. The £96,000 is a contribution to the Potable Water Fund as such, not to hotels and shipping.

Item 4. Head 28 (N) Contribution to Funded Services was agreed to.

Schedule of Supplementary Estimates Consolidated Fund (No 1 of 1982/83) was agreed to.

Improvement and Development Fund Schedule Supplementary Estimates No 1 of 1982/83

Item 1. Head 101 - Housing

HON W T SCOTT:

Sir, I see again we have an increased element creeping in as well. When the Honourable and Learned Attorney

General announced the details of the negotiated contract with the contractors, we were led to believe that that was a fixed price contract.

HON ATTORNEY GENERAL:

With respect, Mr Chairman, this is a point which occurred to me after the last meeting when I think the Honourable Mr Bossano made some comment. I think I did say that it was subject to fluctuations for labour and materials. If the Hon Member looks at the statement I made to the House in 1980 I did say that.

Item 1. Head 101. Housing was agreed to.

Item 2. Head 104 Miscellaneous Projects

HON A T LODDO:

Mr Chairman, what were these additional works?

HON M K FEATHERSTONE:

They were very varied, Sir, they were partly the servicing of the holding area at North Front, the provision of two gates in the actual fence, a certain amount of work at the new car park at the airport, the preparation of the tennis court area at Queensway, the preparation of one car park at Grand Parade. I think those were the main ones.

HON W T SCOTT:

Mr Chairman, may I ask the Government what is the total amount of money spent to date since the signing of the Lisbon Agreement which would include the £44,000?

MR SPEAKER:

You can ask what are the £44,000 for but I think on the others you have been given information already and it has been voted for. That is information you can easily get by just looking at the Estimates.

Item 2. Head 104 Miscellaneous Projects was agreed to.

Item 3. Head 105 - General Services

HON A T LODDO:

Mr Chairman, additional works required on the car park at Queensway. I notice that from the earlier question that one of the items that have been accounted for under the £44,000 was the coach park at USOC and yet here we see car park at Queensway under a separate head with £12,500 for additional work. What were the additional works for the car park at Queensway which apparently were all but ready?

HON M K FEATHERSTONE:

I think this actually includes two sections. I think it is the actual car park at Queensway which there was extra kerbing to be done and also some work at the NAAFI site where another coach park was prepared.

HON A T LODDO:

Mr Chairman, doesn't £12,500 appear to be a bit excessive for what was done on the kerbside and the resurfacing of the small area outside NAAFI at Queensway? Doesn't it seem a bit excessive?

HON M K FEATHERSTONE:

When you consider that the area is not such a small area and it has to be asphalted I don't think that really this is excessive.

HON P J ISOLA:

How does Government estimate £5,000 for this work and then discover two months later that it needs £12,500. I thought the Public Works Department were experienced in estimating. This is incredible, Mr Speaker.

HON M K FEATHERSTONE:

I think the original hope was when the Romney Huts were taken away the surface was going to be in reasonable condition but in removing the Romney Huts quite a lot of damage to the surface was done, they had to actually dig into the foundations to take them out, there were gaping holes etc., and the whole thing had to be resurfaced properly. When the Frontier is open we hope to get the money back.

Item 3. Head 105 - General Services was agreed to.

Item 4. Head 108 - Telephone Service

HON G T RESTANO:

Sir, the £45,000 now required for replacement and purchase of coin boxes further to the £21,000 provided for in the Estimates, that is, £66,000. First of all, how many coin boxes is Government going to purchase?

HON DR R G VALARINO:

Mr Chairman, Sir, there are currently 48 applications from Government Departments and 30 from the Private Sector. It is expected that there will be additional applications and that, altogether, about 100 payphones will be required during this financial year at a cost of £66,000.

HON G RESTANO:

Forty eight from Government Departments. What sort of coinboxes are these going to be, Mr Chairman? How are they going to be distributed throughout the Government Departments?

HON DR R G VALARINO:

These will be the ordinary payphone coinboxes of the type you see in the air terminal. I am sorry I cannot give you a list of the different departments involved because I haven't got the information with me. They will be distributed throughout the different government departments especially the Hospital, the Health Centre and places where these coinboxes will be needed.

HON G RESTANO:

Mr Chairman, since the Government has taken the unfortunate decision to make people pay for local calls, how are they going to control local calls in Government Departments? Will all calls have to go through an operator, for example?

HON DR R G VALARINO:

Mr Speaker, Sir, that question which the Honourable Member has put has nothing to do with this. This is simply a coinbox in which you put a coin in, you dial the number and you get the person you want. What he is referring to, really is the system of a PEX for monitoring Government

calls.

HON G RESTANO:

Will this be done? Will there be monitoring?

MR SPEAKER:

We are not going to discuss this under this head.

HON G RESTANO:

May I ask, Mr Chairman, if within a Government department there is a coinbox in the middle of the corridor and yet everybody has a telephone in his office, what is the point of having a coinbox?

MR SPEAKER:

That is another matter.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, instructions will be given that no personal local calls can be made and also if you want to make a telephone call to the United Kingdom, or Spain or Morocco or wherever, you have got to use the telephone box. Even now, if I make a telephone call to England, the first question that I am asked is whether it is a personal or an official call.

HON G RESTANO:

I wasn't so much asking about international calls, I was talking about local ones.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Again there will be an instruction on this. At the moment you sometimes cannot get through on the telephones because they are jammed by personal calls at certain hours but the instructions will be that if you wish to make a personal telephone call you will make it from a coinbox and not from a Government telephone.

Item 4. Head 108 - Telephone Service was agreed to.

Item 5. Head 110 - Electricity Service was agreed to.

Schedule of supplementary Estimates Improvement and Development Fund (No 1 of 1982/83 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.

MR SPEAKER:

I think this will be a good time to recess until tomorrow morning. I would remind the House that we are still in committee and we still have to do the Committee Stage of the Banking Bill. Before I recess I would like to inform the House that the Honourable Legder of the Opposition has given notice that he will raise at the adjournment the question of the independence of the Gibraltar Broadcasting Corporation and its contract with Airtime International Limited. We will now recess until tomorrow morning at 10.30 a.m.

The House recessed at 8.00 pm.

THURSDAY THE 8TH JULY 1982

The House resumed at 10.45 a.m.

MR SPEAKER:

I would remind the House that we are at Committee Stage and we will now deal with the Banking Bill, 1982.

THE BANKING BILL 1982

Clause 1

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I beg to move on clause 1, subsection (2), to omit the words "the 1st day of October, 1982" and substitute the words "a date to be appointed by the Governor, by notice published in the Gazette." As I said in my second reading speech, Sir, it is the Government's intention that the Bill should be brought into effect on the 1st of October but we have yet to recruit a banking supervisor, it is just possible it may take us a little longer than we expect and for that reason we would like a small amount of lee-way.

Mr Speaker put the question in the terms of the Hon the Financial and Development Secretary's amendment which was resolved in the affirmative and Clause 1, as amended, was agreed to and stood part of the Bill.

Clause 2

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I move to omit the definition "ancillary premises" and the definition of "unsecured" in this clause. When the Bill was originally drafted there were provisions in it regarding unsecured loans to staff and directors. They are now taken out of the Bill and also there was a provision relating to ancillary premises which I explained yesterday, the concept of branches has been taken out of the Bill on the licensing side so these two terms are otiose and should be removed.

Mr Speaker proposed the question in the terms of the Hon the Financial and Development Secretary's amendment.

HON P J ISOLA:

Can we have an explanation for omitting the definition of "ancillary premises" altogether.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

In the Bill when it was originally drafted there was provision that branches would be separately licensed and there would be a separate fee but an ancillary building i.e., a building where you keep your records etc, would be covered by the main licence. The concept of the Bill and the licensing now is that you licence an institution and you do not licence any of the separate branches as I mentioned yesterday, you just have the one licence for that institution and therefore the term "ancillary premises" is no longer required.

Mr Speaker put the question in the terms of the Hon the Financial and Development Secretary's amendment which was resolved in the affirmative and the amendment was accordingly passed.

HON ATTORNEY GENERAL:

Mr Chairman, I have several amendments to make. Can I explain to the House that some of the amendments which are being proposed in committee are of a substantive nature and the Financial and Development Secretary will be dealing with those.

Others are of a drafting or cosmetic nature and those are the ones that I propose to take I beg to move that clause 2 be amended in the definition "chief executive", in paragraph (b), by omitting the words "in Gibraltar", and substituting the words "in or from within Gibraltar." This is a cosmetic amendment and the reason is that elsewhere in the Bill we use the phrase "in or from within Gibraltar" and I think it is prudent to have it in this place as well.

Mr Speaker put the question in the terms of the Honourable Attorney General's amendment which was resolved in the affirmative and the amendment was accordingly passed.

HON ATTORNEY GENERAL:

Mr Speaker, I beg to move that in the definition of the term "Commissioner" to insert the word "means" immediately after "Commissioner" where it first appears and to leave the word "means" in paragraphs (a) and (b). This is also purely cosmetic, it is a slight discrepancy in style with other definitions.

Mr Speaker put the question in the terms of the Honourable Attorney General's amendment which was resolved in the affirmative and the amendment was accordingly passed.

HON ATTORNEY GENERAL:

Sir, I further move, in clause 2, to omit the definition "licence" and substitute the following definitions "licence" means a licence issued under section 31(1) and where used to refer to the actual document itself, also means a copy of a licence referred to in section 31(2); "Licensee" means the person to whom a licence is issued; This is a procedural amendment. Because of the amendments already indicated by the Financial and Development Secretary to the effect that you will only have one licence for a single bank which will cover a number of premises, it comes necessary subsequently in the Bill to provide for the issue of copies of licences so that the licensee can comply with the requirement to display a copy at every office to which the public has access. This is really a drafting device so that we don't have to amend the Bill throughout. The term "licence" when used in the physical sense includes each such copy.

Mr Speaker 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.

HON ATTORNEY GENERAL:

Finally, Sir, I move in the definition of the term "representative office" to omit the words "in Gibraltar" and "outside Gibraltar". A representative office is an office which a licensee occupies but which is not used to carry on deposit taking business. In the Bill as originally drafted this concept of representative office was used in relation to overseas deposit taking businesses only but we think on reflection that we ought to have a standard concept of a representative office both for overseas licensees and for licensees established in Gibraltar. We see no reason to have a dichotomy in the Bill and so this will eliminate the difference.

Mr Speaker put the question in the terms of the Honourable Attorney General's amendment which was resolved in the affirmative and the amendment was accordingly passed.

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

Clause 3

HON ATTORNEY GENERAL:

Sir, I move in Clause 3, sub-clause (1) what may appear to be a small amendment but one I think is quite important, to enclose the expression "with or without any interests on any premium" in parenthesis. This is necessary for clarity. When I studied the Bill after publication there was the possibility of an ambiguity and this will make that clear.

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 passed.

HON A J HAYNES:

Mr Chairman, my query relates to the overall effect of the definitions and the legal terminology in section 3 and 4. Do, in effect, these sections affect the law relating to mortgages or not? Will they affect the standard mortgaging facilities available as between different companies. Will they, for instance, even reach the point where the mortgagee becomes a deposit taking company without a licence. That is the first question.

HON ATTORNEY GENERAL:

Mr Chairman, I can assure the Honourable Member, no. These

definitions which of course govern or set the whole scope of the bill, are based on the definitions in the English Banking Act and sub-clause (2), and more particularly sub-clause (2) (d), is intended to exclude loans as such from the scope of the definition.

HON A J HAYNES:

I am grateful to the Learned Attorney General. The other question, Mr Chairman, is with regard to captive insurance companies. Are they affected or caught in any way by the definition of sections 3 and 4.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Sir.

Mr Speaker put the question in the terms of the Honourable Attorney General'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:

Sir, I move to add the following sub-clause to clause 4: "(3) Without limitation of the meaning of the words "in or from within Gibraltar" in this Ordinance, but subject to sub-section (2), a person who - (a) carries on a deposit-taking business outside Gibraltar; and (b) is a body corporate incorporated or registered in Gibraltar - carries on that business from within Gibraltar, within the meaning of this Ordinance." Mr Chairman, Sir, this is an important amendment and one that we had thought we had covered in the Bill but on reflection the Attorney General advised that in fact we had not fully covered it and this arises where someone registers a business in Gibraltar as a brass plate - the R J Wallace Finance Corporation or words to that effect - leaving out the word bank, and who then goes off to a country where banking supervision is minimal and begins to take deposits in that country quoting Gibraltar as a place where he is registered. This could bring Gibraltar's reputation as a finance centre into great disrepute and we would have very little control, if any, over him unless we have this provision in the Ordinance and with this provision we could control it. This is not a situation that might arise but a situation that has in fact arisen and therefore it is important to guard against it. Mr Chairman, I move the amendment.

Mr Speaker proposed the question in the terms of the Hon Financial and Development Secretary's amendment.

HON P J ISOLA:

Mr Speaker, this is a very profound and substantial amendment to the Ordinance and unfortunately it is quite impossible to make a judgement on it at this time because one has to see the repercussions of that right through the Ordinance and in the time we have had it is quite impossible to do so. But there is one observation I want to make. I can see what is good in it in the sense that in theory the Government will be able to assure, or will they be able to assure everybody that anybody who is taking deposits in, say, Hong Kong is under the control of the Gibraltar Government? How can the Gibraltar Government assert that control? Are we getting into other people's jurisdiction and have we got a right to do this? Have we got a right to say that a Gibraltar Company that is carrying on deposit-taking in Hong Kong or Singapore is subject to the laws of Gibraltar. I just haven't had time to think about it, I think it is a very profound change in the law. I know the intention is good, the intention is to give reassurance to other people but what would other Governments say about it? What would Hong Kong say or what would Singapore say if this bank conducts its business in Hong Kong or Singapore in accordance with the laws of Hong Kong or Singapore and not in accordance with the laws of Gibraltar. Is Gibraltar then to exercise jurisdiction? I don't know, Mr Speaker, it is a very profound change in the law, it is the adoption by the Gibraltar Government of a principle that seems to give it jurisdiction extra territorially. Do we have that power I don't know. It is impossible for me to connect that with all the other clauses in the Ordinance. I agree with the idea that if somebody has a licence for banking in Gibraltar and starts playing around in Hong Kong and Shanghai or wherever, we should be able to do something about it but are we in a position to do that? Can we do that? Are we not legislating extra territorially?

HON ATTORNEY GENERAL:

Mr Chairman, I agree with the Honourable and Learned Leader of the Opposition that it is an important point and a profound point. I myself am quite happy that this is not extra territorial legislation and I would like to try and persuade the Honourable and Learned Leader of the Opposition why it is not so. This is doing nothing whatsoever to tell Hong Kong or to tell the Channel Islands or any other place beyond Gibraltar either that they must accept this Gibraltar company as a deposit-taking business or in any other way to try and tell to what extent they must regulate this company. What it is doing is saying that if somebody chooses to form a body having legal personality in Gibraltar

and thereby chooses to establish a connection with Gibraltar, then so far as we are concerned within Gibraltar that body if it is incorporated or is registered here or if it has an office here on which we can serve process, what we are saying is that so far as we are concerned within Gibraltar that must comply with this requirement. If it has operations going overseas and has its place of incorporation or place of registry here, we will be able to say this person is in breach of our law. I don't see it as being extra territorial I see it as being aimed at a body within Gibraltar by virtue of its incorporation or registration in Gibraltar and I cannot myself see that it is in any way restricting any other Government in the manner in which it may approach the question of regulating deposit-taking.

HON P J ISOLA:

I thank the Honourable Attorney General for that explanation however, my own inclination on this is to abstain. I know the idea is good but I am still a little concerned about it. I don't know whether the proper position would be in some other clause where powers of cancellation of a banking licence are there whether it might not be more appropriate to say that if any deposit taking business or body corporate in Gibraltar is found to be carrying on its business outside Gibraltar contrary to the terms of the licence that has been given in Gibraltar the licence can be cancelled. Mr Speaker I appreciate the reasons but I am a bit worried about the principles and I think we must abstain.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, on a point of clarification. We are not talking here about an institution that is licensed as a deposit-taker. We are talking about an ordinary company that registers in Gibraltar but uses or brings into the name not bank but the word finance or some other term which gives an indication that it has dealings with money and they then, not being in any way registered or licensed as a deposit-taking institute here, go outside the territory and use that name and begin to collect funds. If it were a deposit-taking institution in Gibraltar and licensed as such, we would have no problem. It is where it is not so licensed and it is merely registered under the Companies (Taxation and Concessions) Ordinance as a brass plate company, that is our fear and that is the real danger.

HON ATTORNEY GENERAL:

May I add one final point. If that situation exists it would not be a question of cancellation of the licence it would be a question of a prosecution for incorporating here and not complying with this requirement.

HON P J ISOLA:

It is rather like the trade licensing amendment yesterday. I see now there is more merit in the clause, I agree there is more merit in the clause but of course that would obviously also include anybody who is licensed by definition.

HON ATTORNEY GENERAL:

Mr Chairman, there is a clause later on which puts an obligation on the licensee, a person who has already brought himself within the umbrella of banking control to notify us what he does overseas and if he is established in Gibraltar as distinct from an outside bank he must get permission before he carries on business overseas, so there is a double control.

Mr Speaker put the question in the terms of the Hon 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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move an amendment to this clause to renumber the clause as sub-clause (1) and to add the following subsection. "(2) No person other than an institution shall in Gibraltar accept a deposit in the course of carrying on a deposit-taking business anywhere". This, again, is to ensure that no body or organisation can come into Gibraltar and without having a licence here begin to take deposits. Without this it would be possible provided they did not necessarily advertise in Gibraltar for them to collect funds and take them outside Gibraltar.

Mr Speaker put the question in the terms of the Hon Financial and Development Secretary's amendment which was resolved in the affirmative and Clause 5, as amended, was agreed to and stood part of the Bill.

Clause 6

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move that this clause be re-numbered as subsection (1) and that after the words "to do so" in line 3, insert the words "under this Ordinance" and then add a new subsection: "No institution shall in

Gibraltar accept a deposit in the course of carrying on a deposit-taking business anywhere unless it is licensed to do so under this Ordinance and does so in accordance with the terms of the licence." This, again, as in clause 5, is to strengthen the Ordinance to ensure that no institution can come in and carry on a deposit-taking business without being licensed under the Ordinance.

Mr Speaker put the question in the terms of the Hon Financial and Development Secretary's amendment which was resolved in the affirmative and Clause 6, as amended, was agreed to and stood part of the Bill.

Clause 7

HON ATTORNEY GENERAL:

Sir, I move that this clause be amended by inserting after the words "the Governor may by order" the words "published in the Gazette." Clause 7 (2) provides for the Governor to exempt persons from the scope of the licensing requirements and this is really a procedural manner. I feel that exemptions by order would normally be published in the Gazette and we should therefore say no so that people can see what happens.

HON P J ISOLA:

I have no objection to that.

Mr Speaker put the question in the terms of the Hon Attorney General's amendment which was resolved in the affirmative and clause 7 as amended, was agreed to and stood part of the Bill.

HON P J ISOLA:

I notice the people to whom sections 5 and 6 shall not apply. I would like to know why an authorised insurer is included in that because as far as I know they don't carry on deposit-taking business, they accept premiums. If one reads this it seems they are allowed to take deposits.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, there is a deposit element in the premium and for that reason it is necessary to exclude them and that is why when the Honourable Mr Haynes enquired whether captive insurance would be covered I said no because

they are excluded under section 7 (1) (e).

HON P J ISOLA:

I am not worried about making exclusions but, surely, if they are excluded they can take deposits. What I understand the Honourable the Financial and Development Secretary to say is that part of the premium is a deposit. Well, if that is the case couldn't we just identify that and say save except for that because otherwise does it mean they can take deposits?

HON ATTORNEY GENERAL:

I can answer that, Mr Chairman. They are, of course, regulated by existing legislation and that is the reason why the exemption is absolute and I think that is a general principle. This regulates the bulk of deposit-taking businesses but if there is another Ordinance which either does or can more conveniently regulate a particular class of business then that could be relied on. In the case of insurance companies they must be authorised under the Insurance Companies Ordinance, that is the Legislative Control Ordinance.

HON P J ISOLA:

Can the Honourable the Attorney General tell us that under the Insurance Companies Ordinance an authorised insurer who has now got a licence cannot take deposits under the Ordinance?

HON ATTORNEY GENERAL:

Mr Chairman, what I am saying is that there is a need for this exemption because otherwise insurance companies may be caught by this Bill. We can give this exemption because they are, in fact, regulated under another Ordinance. By virtue of the exemption nothing in this Bill will apply to them, they will continue to be governed under their own Ordinance.

HON P J ISOLA:

But the other Ordinance doesn't stop them from taking deposits and therefore if they are excluded from Sections 5 and 6 they will be able to take deposits unless the other ordinance stops them from doing the business of banking.

HON ATTORNEY GENERAL:

Whether it does or it doesn't we see that as being a matter for control under the Assurance Companies Ordinance.

HON P J ISOLA:

Mr Speaker, I don't know whether the point is being taken. We had a situation in the Finance Bill where we got rushed through in all its stages what was a loop-hole in the Building Societies Ordinance which was cleared and now they are excluded. But, surely if an authorised insurer is not stopped from taking deposits, as soon as this Bill is passed he can start taking deposits and we will have to rush back in the middle of the summer to stop him. I want to be sure that is not the position.

HON ATTORNEY GENERAL:

The effect of clause 7 is that nothing in this Bill applies to Insurance Companies, that is the case. This is an absolute exemption from the scope of this Bill. I take the point that is being made but the point that is being made is one that needs to be examined, I think, in relation to the Assurance Companies Ordinance. An assurance company can do already anything that it is going to be able to do after this clause is law.

HON P J ISOLA:

No, Mr Speaker, at the moment an insurance company is caught by the provisions of the Banking Ordinance which is in existence. This Bill, once it is brought into law, will repeal the Banking Ordinance and then we are told here under Clauses 5 or 6 that nobody is allowed to take deposits unless it is licensed under the Ordinance. If we exclude the assurance companies completely from clauses 5 and 6 and we repeal the Banking Ordinance the insurance company can open their doors and start taking deposits tomorrow and we cannot agree to that.

HON ATTORNEY GENERAL:

I take the point fully. It is only clauses 5 and 6 from which they are exempted and later on in the Bill we have provision controlling advertising for deposits.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, the point is that unless they are excluded under

Clause 7, life insurance would be caught by the meaning of deposit taking business. In life insurance there is a deposit which is repaid at the end of the term and therefore they would be caught under the provisions of clause 4 and the way of getting out of that is to exclude them under clause 7.

HON P J ISOLA:

Yes, but shouldn't there be an additional clause saying that the taking of life premiums or whatever sort of premiums they are by an authorised insurer shall not be deemed to be the business of taking deposits under clauses 5 and 6. I know the evil that wants to be prevented but we are giving them carte blanche to take deposits and that we cannot agree with because then the whole purpose of the Bill is destroyed.

HON ATTORNEY GENERAL:

At the moment the control would be under clause 70 under which we can by regulation control advertising for deposits. Whether or not controlling advertising is a sufficient control may be a matter that needs to be looked at but at the moment there is a control.

HON P J ISOLA:

Mr Speaker, it is no use saying we can control advertising when an insurance company could write to all its clients and say: "We can take a deposit from you if you wish and we are offering you 10% or 12%. Surely, that must be stopped in this Bill. Let us not have loopholes in the Banking Ordinance.

HON ATTORNEY GENERAL:

I must say, Mr Speaker, I think the Honourable and Learned Leader of the Opposition has a point. I think the answer is to exempt to the extent that they are carrying on authorised insurance business, but no more widely. I would need a little time to consider the point.

MR SPEAKER:

I think there is no reason since we are at the committee stage why we shouldn't take a vote on this particular clause until a later stage and perhaps that will give time for reconsideration. We will leave Clause 7 without taking a vote and we will go on with the other clauses.

Clauses 8, 9 and 10 were agreed to and stood part of the Bill.

Clause 11

HON ATTORNEY GENERAL:

Sir, I move that this clause be amended by adding at the end the words "of his determination". Clause 11 (2) is a clause which enables the Commissioner to proceed on urgent or trivial matters without having to consult the Committee and what it says is that if he does so he should report back to the committee in due course. After the Bill was published somebody made the point that we should make it quite clear what was it that he had to report back so that they would know what is going on.

Mr Speaker put the question which was resolved in the affirmative and Clause 11 as amended was agreed to and stood part of the Bill.

Clause 12

HON ATTORNEY GENERAL:

Sir, I beg to move that sub-clause (1) be omitted and sub-clauses (2) and (3) be renumbered as (1) and (2) and that in sub-clause (2) as so renumbered the words "or subsection (2)" be deleted. Hon Members will remember that yesterday in the second reading a point was made from the other side of the House that it may be undesirable to give the Commissioner power to appoint any public officer to act in his place whilst he is away. I think we can simply delete sub-clause (1) because the Commissioner is a public appointment. Until such time as there is a Commissioner it will be the Financial and Development Secretary and of course if he is away there is already power in the law for an acting Financial and Development Secretary to be appointed and I go further than that and say that under the Interpretation and General Clauses Ordinance if there is a separate Commissioner and he is away, then of course there is no reason why he cannot be appointed to act in the Commissioner's place. I think really there is only a need for clause 12 to be able to cope with the committee. In the case of the committee the point which concerns the Opposition is covered because the Governor himself appoints the alternate.

Mr Speaker put the question in the terms of the Hon Attorney General's amendment which was resolved in the affirmative and Clause 12, as amended, was agreed to and stood

part of the Bill.

Clauses 13 to 18 were agreed to and stood part of the Bill.

Clause 19

HON ATTORNEY GENERAL:

Sir, I beg to move that this clause 19 (2) be amended by inserting after the words "the Governor may by Order" the words "published in the Gazette". This is the same point as I made in the amendment to clause 7. It is simply to make it clear that an order under clause 19 would be made public so that people are aware of what is happening.

Mr Speaker put the question in the terms of the Hon the Attorney General's amendment which was resolved in the affirmative and Clause 19 as amended, was agreed to and stood part of the Bill.

Clauses 20 and 21 were agreed to and stood part of the Bill.

Clause 22

HON ATTORNEY GENERAL:

Sir, I beg to move that this clause be amended by inserting immediately after the words "the Banking Supervisor shall" the words "subject to section 23,". This, Sir, together with an amendment I will shortly move to clause 23 are related. The substance of the amendment comes in clause 23 but perhaps I can conveniently explain it at this stage. Under clause 23 if the Banking Supervisor in processing a banking application decides that he is going to make an adverse report, he must notify the applicant before he goes ahead and makes his report and thereby give the applicant the opportunity to make further submissions. After the Bill was published the point was made by one of the persons who commented on it that, really, if that is the case he should not make his final determination until after he has considered the submission, which is already in the Bill, but more than that when he sends up his final determination he should include the submissions that were made by the applicant in response to his information that he was going to make an adverse report. I think this is correct, I think that the Commissioner at the end of the day should have all the documents relating to the applications including the submissions made by the applicant.

Mr Speaker put the question in the terms of the Honourable Attorney General's amendment which was resolved in the affirmative and Clause 22, as amended, was agreed to and stood part of the Bill.

Clause 23

HON ATTORNEY GENERAL:

Sir, I beg to move that this clause be amended in sub-clause 3 paragraph (b) by omitting all the words after "before determining the assessment" and substituting the words, "and," and by adding the following paragraph "(c) the Banking Supervisor shall submit copies of the submissions to the Commissioner and to the Members of the Committee, together with copies of the application and of his assessment." That is the substantive amendment which I already explained in moving the amendment to clause 22.

Mr Speaker put the question in the terms of the Hon the Attorney General's amendments which was resolved in the affirmative and Clause 23, as amended, was agreed to and stood part of the Bill.

Clauses 24 and 25 were agreed to and stood part of the Bill.

Clause 26

HON ATTORNEY GENERAL:

Sir, I move that sub-clause 1(3) of this clause be amended by inserting after the words "in the business will" the words "from the outset". In moving this I should say at once that it is not just a drafting amendment, it is rather more substantial. The intention is that the capital requirements should be met at the outset and thereafter and it is desired to move this amendment to make it clear.

Mr Speaker put the question in the terms of the Hon Attorney General's amendment which was resolved in the affirmative and Clause 26, as amended, was agreed to and stood part of the Bill.

HON P J ISOLA:

Mr Speaker, I notice no amendment has been brought with regard to the capital, the paid-up capital, which it is suggested from this side of the House, should be \$2m and not \$1m. Have the Government any thoughts of reducing that

million? One accepts the argument that was made that any local people who want to go into a bank will require expertise but one would assume that anybody who wants to go into the business of banking would procure, he has the expertise obviously any local person, and we think that the figure of £1m is too high.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, yes, the Government has considered the views put forward by the Leader of the Opposition yesterday and I would like to reiterate what the Honourable and Learned the Chief Minister said and that is that whilst local people who wish to set up a bank could buy in the management expertise, they would need, if they were starting afresh, to have a track record as a licensed deposit-taking institution for which they only require a capital of \$250,000 before they could be seriously considered for a full banking licence which would require £1m. If, on the other hand, they were coming in on a full licence and coming in with the experience and backing of an outside internationally accepted bank, then there should be no difficulty in raising funds. Capital is needed in banking as a cushion against loss because it engenders confidence as a resource free of financing costs and by that I mean that the bank would have its own funds to lend out without the costs of deposit taking and, finally a bank will require a certain amount of finance, fairly substantial amount of finance, for its own infra-structure. It is against these factors and also the erosion by inflation of amounts, as I mentioned yesterday, £125,000 in 1954 is probably just under £1m now, that the Government has set for a full banking licence a minimum capital of £1m but only \$250,000 for the deposit-taking institution.

HON P J ISOLA:

Mr Speaker, I am troubled a bit by this because we are being told that a bank with a full bank licence should have a capital of £1m, and that is the view the Government has formed, and yet when one goes later on in the Bill to the transitional provisions, one finds that those banking institutions today operating in Gibraltar, any bank, whether it is offshore or not, who does not comply or doesn't bring his capital up to £1m would still be allowed to carry on with the business of banking. I can understand the transitional period provision giving people a time, six months, twelve months, two years, to bring the capital up to £1m, but I cannot understand the thinking that allows them now to have a privileged position over local people. I think this is totally wrong and either banks with full banking licences should have a capital of £1m or it shouldn't. If they should then everybody should comply within a period of time, I am not suggesting that it should be done overnight.

Otherwise let us put it down and bring it up at a later date when everybody can comply.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, insofar as new banks that want to come in and the discussions that we have had with them, there has been no problem about finding the £1m or the \$1m for the licensed deposit-taking institution. Present banks, the Banking Commission will have discretion for a period to allow them to operate on a capital and reserve less than that which is required by the present Bill. I think that this is only fair and just, they have been here, they have stood the test of time, certainly one bank, for well over 100 years. It is very important that one should not by an Ordinance in this House put them out of business. The time which will be allowed will depend upon the views taken by the Commissioner and the Banking Supervisor and there will be a movement towards getting them up to the necessary capital structure as soon as possible and as soon as it can be done without in any way affecting their viability as banks.

HON P J ISOLA:

Mr Speaker, this goes back to what I was saying yesterday in the second reading where I said that the essence of this matter was not the money, although that is important, obviously. For anybody who wants to set up banking from outside probably, as the Financial Secretary has said, £1m is no problem, those are the ones he has been speaking to, but others might have a problem. What is important and now the Financial Secretary is himself illustrating the point, what is important is that a bank that has been established here 100 years it wouldn't matter if it had just £125,000 capital because they have carried out the test of time and this is the reason why I am suggesting a reduction in that amount so that people locally wishing to start a bank should be allowed to do so obtaining the expertise, but if the Government says they must have a million then everybody should have a million, Mr Speaker. The transitional provisions do not do what the Financial Secretary is saying it is hoped to do. The transitional provision, section 78 (3), allows the commissioner to grant a licence after a period of six months or whatever notwithstanding the requirements of sections 25 (1) (c) and 26 as to the amount of paid-up capital for a licence of that class are not complied with by the applicant. The Commissioner will come a time when he will just say: "Here is your licence. You have got a capital of £1m or you have a capital of \$300,000 there is your licence." And that bank then becomes a privileged bank in Gibraltar because that bank will be able to sell with that paid-up capital. I am not for one minute arguing, Mr Speaker, that we should make life difficult for the existing banks who have lived

and worked in Gibraltar, what I am saying is that the principle of equality should be established. Either we reduce the amount of paid-up capital, the minimal amount, to, say, £2m and then there is nothing to stop the commissioner to say to somebody who is coming out from outside: "For the sort of operation you do and for banking today we are not satisfied." I don't mind those things but I think there should be an opportunity for local interests who wish to set up banking not to be forced into the £1m. One is immediately putting a premium on existing banks with a lower licence, that must be obviously apparent to the Government. I don't object to that as long as they know what they are doing. I would say that if the Government's policy is that there should be a minimum of £1m on the argument that was put by the Financial Secretary and the Honourable and Learned the Chief Minister yesterday, if that is the view which we do not share but if that is the view then the Government must carry it through. I don't say they should say to a soliciting bank they have got to get this capital but I think in the transitional provisions there should be provision for them coming up to the required capital within a period of 2, 3 or 5 years but within a period yes, Mr Speaker, a commitment of that money to the Bank. This surely, must be a matter of principle, or reduce the capital we would go along with that because we do not think it necessary to have that. What is important in a banking licence are the people who are running it, that is the important thing.

HON MAJOR R J PELIZA:

Mr Speaker, I think the point he is making is extremely valid. This is you might say a new industry that is going to, I think, catch on in Gibraltar. No doubt, as time goes by, more and more Gibraltarians will become very interested in this business. The opportunity has not been there in the way is going to be offered now. I think it is a pity that we should lose this opportunity to enable very enterprising members of our community to try and see if they can somehow get the necessary capital to make a go of this new venture. We are introducing what I hope would be a very profitable business in Gibraltar and in a way we are discouraging the Gibraltarians to come forward to do it. We have had the experience that banks with much lesser capital than that have been successful in Gibraltar and we see no reason whatsoever why, in practice, anything should be done to try and get them to come up to that level. The only reason we are saying that they could bring it up to that level, as my Honourable Friend is suggesting here, is to show that there is no discrimination whatsoever. To put pressure on the existing banks to be able to come up to that level may in fact be detrimental to the business and might even throw them out of business not just in one or two years but may be in 10 years' time, we don't know what the progress is going to be.

MR SPEAKER:

If I may interrupt. This could be the kind of discussion and debate we should be holding when we come up to clause 78.

HON CHIEF MINISTER:

May I say something about this. The Leader of the Opposition is using one argument to help another one which is much more fundamental and that is that it is clearly fundamental constitutional practice that you do not legislate in altering things for the future prejudicing those who have been doing something legally in the past. I think this is essential in every case. Yesterday we dealt with the question of shipping agents required to have a trade licence, there were transitional provisions giving authority for those who are in the shipping business to put in their application within three months in order to do that. Whether we have £1m or £2m, is another matter but I don't think one should be linked with the other because it is obvious that we must preserve people's rights that have been acquired while it was legal otherwise you would have the situation that happened in Spain after the Franco era that it was legal to be a freemason during the republic but when they came in they made it illegal retrospectively to those who had been freemasons and sent them to jail. You cannot do that in this case and a limited period could be a strain even on £2m to some of the banks whereas if it is allowed to the discretion of the Commissioner, having regard to the development and so on, that would be the way in which they can come up to the standard. With regard to having a premium on them, first of all the banks who have got less than £1m would require the approval of the Commissioner, I should imagine, if they wanted to transfer the shares in the Company to somebody else in order that the control should be in different hands. So there is no question of their putting a premium to pass it on to somebody who is not up to the standards that are required for the future. This question of having local people, there are many people in deposit-taking business who are not bankers and that is as far as they can chew for the moment. We have thought about this, Mr Chairman, and I am afraid this is a Government decision on which we will not be able to give way.

HON P J ISOLA:

Mr Speaker, I just want to say one thing more. I agree entirely with what the Chief Minister says about retrospection, I suppose that is why there is a Bill which has just been given to us which has retrospective effect, but forget that one. I am not worried about the premium, I happened to

mention that and the Chief Minister picked up the point that I think is of least importance. The point I wish him to make is that the Government has said: "We want Gibraltar to be a reputable finance centre all over the world. We are going to have a Banking Supervisor, we are going to run our banks properly so that everybody dealing with Gibraltar will be able to say that in Gibraltar every bank has to have a minimum of £1m capital." But they won't know, unless they try and find out and start making enquiries that there are in fact some privileged banks that are operating on a full banking licence with less than £1m. Does that do Gibraltar any good? In my view it does not. I am not suggesting, Mr Speaker, that we should enact retrospective legislation, it has nothing to do with that. It is a new concept of banking brought to Gibraltar requiring new conditions for banking. This is happening every day in legislation, Mr Speaker, in every branch. Landlord and Tenant is changing constantly. People buy a house on the basis that there is no restriction on furnished flats and next day the Government passes a law restricting furnished flats. The Chief Minister says that's good, well, it may well be good, I am not saying it isn't.

MR SPEAKER:

The Chief Minister said for very good reason.

HON P J ISOLA:

For very good reason, now aren't these good reasons, Mr Speaker? We are producing a Banking Ordinance to give Gibraltar a reputation for banking all over the world with certain conditions, and we are immediately exempting a certain number of existing banks. Why? I am not suggesting Mr Speaker, that the existing banks should be harshly treated, but I don't accept the argument of the Chief Minister that because they got their licence 100 years ago, or 20 years ago, they should continue to be in that privileged position. What I am saying is this. Of course I recognise the problems about asking somebody to raise his capital from whatever it was to a million. I am not suggesting Mr Speaker, that they should be told to do it within 6 months, what I am suggesting is that within a limit of time, within the discretion of the Banking Commissioner and the Banking Supervisor who are the people who are supposed to know all about this, I am not trying to put myself in that position, I am not suggesting any period of time, but that within the discretion of the Banking Commissioner and the Banking Supervisor, under the transitional provisions they should be required to bring their paid up capital to whatever is decided on this section. That is why I keep arguing both sections because I think if this section is reduced to £500,000 that will make it much easier for the existing banks and also for any new local

people who wish to set up the business of banking, not deprive them of the opportunity to do it, but the Government says no to that. If it says no to that, what is good for the goose should be good for the gander and I think that if the Government is not prepared to reduce that sum that they should be prepared then to bring in an amendment to the existing transitional provisions requiring existing banks to bring their paid-up capital to the amount of £1m within a period of not less than a year or such later time as the Banking Commissioner or the Banking Supervisor may determine. Mr Speaker, I think this is a matter of principle because otherwise you are going to have people in the outside world who cannot possibly be expected to know every bank in Gibraltar but who will know the Banking Ordinance and will know that everybody has to have a £1m or at least £5m.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think, Sir, I should explain that when we first began to look at this Bill and considered the position of banks who are already operating here, we did consider whether a time limit should be put on, the period in which they should meet the requirements of capital and reserve, and it was decided that to do so could put an unfair strain and a dangerous strain on the banks and affect their viability. It is the intention and we are able under the Bill, administratively, to move towards the present banks who do not meet the capital criteria, to move them towards that but it is a question of time and how quickly they can move towards it. This can be done by direction if necessary under the Ordinance and by a condition of the licence.

HON P J ISOLA:

Mr Speaker, I would like the Financial Secretary to draw my attention to the Sections because under the transitional provision Subclause 3, to me, is very clear. I don't see how after having given them a licence the Commissioner could come back and say "Now I want you to up your capital." Once he's got a licence he's got it, surely.

HON ATTORNEY GENERAL:

He can impose conditions.

HON P J ISOLA:

Yes, of course.

HON ATTORNEY GENERAL:

And he can keep that under review.

HON P J ISOLA:

Then can I have an assurance that that will be the case because that is not what is being argued on the Government side, quite to the contrary, that they should remain in a privileged position.

HON ATTORNEY GENERAL:

But there is flexibility all the same.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, there has never been any question on this side and if there has then we have unwittingly misled the Honourable and Learned Leader of the Opposition. There has never been any intention whatsoever that any bank that does not meet the capital minimum requirement should stay in that position for ever. The intention has always been that they would be moved gradually towards meeting the criteria and this can be done administratively through conditions on the licence or by direction if necessary. I can assure the House that that is the intention of the Government.

HON P J ISOLA:

Well, in that case could the Government think about this and when we come to deal with transitional provisions could we be told the sort of time factors that will be included in the licence because surely the condition in the licence will have to be: "Since you do not have the required capital, we are giving you the licence under this Clause but we give you notice that you will require to comply with the capital provision by such a date." Surely it will have to be done that way because you can't give a licence and then change it later, or can you?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think this is a question for the Supervisor of Banking when he arrives and takes part in discussion before the issue of licences, to take a view as to after what period we would review the capital requirement for an existing bank and that would then be written into the licence that there would be a review of their capital requirements after a given period. We cannot give a specific date at the time of issuing a

licence and say that within 5 years you must do this, otherwise you will lose your licence. There has got to be a degree of flexibility.

HON P J ISOLA:

Then can the Honourable and Learned Attorney General assure the House that if a licence is given to an existing bank and does not contain the provision by what time he must bring his capital up to the capital requirements of the Ordinance can the Attorney General give us an assurance that the Banking Commissioner is legally going to be able within the provisions of this Ordinance to come a year later and say: "Look, here, old boy, now is the time to push it up."

HON ATTORNEY GENERAL:

I think myself that the reservation should be entered at the outset. I don't want to duck what I am being asked but I am slightly hesitant to give an absolute assurance on it. My own view would be that where you have a power to insist on something, you have the power to review from time to time, there is also a power to give direction. I feel myself that even if one didn't enter the caveat at the outset, it would still be possible to give directions. I think it would be prudent to say at the beginning that we are allowing them to operate at this level of capital but it is a condition about doing so that we may review this from time to time. I think that would be the way to handle it.

HON P J ISOLA:

Mr Speaker, I hope that these remarks and these assurances we have received will be remembered because I think it is a matter of fundamental principle if you are building a place up as a finance centre, not to mislead the people outside by Government action.

HON CHIEF MINISTER:

Mr Speaker, I think the Honourable Member should know that all undertakings given in the House are recorded by the Civil Service in order to see that they are honoured.

Clause 27 as amended, was agreed to and stood part of the Bill.

Clause 28 and 29 were agreed to and stood part of the Bill.

Clause 30

HON ATTORNEY GENERAL:

Sir, I move that this Clause be amended by omitting subclause 2 and therefore by also renumbering Sub-clause 3 as a sub-clause 2. This is consequential on the deletion of the requirement to separately licence different premises of the one licensee.

Mr Speaker then put the question in the terms of the Honourable Attorney General's amendment which was resolved in the affirmative and Clause 30, as amended, was agreed to and stood part of the Bill.

Clause 31

HON ATTORNEY GENERAL:

Mr Speaker, I beg to move that Clause 31 be amended by being renumbered as Sub-clause (1) and by inserting after the words "prescribed fee" the words "if any". Sir, I have split this amendment between us but with your leave I think I had better move both amendments to this clause.

MR SPEAKER:

The one of which notice was given by the Financial and Development Secretary.

HON ATTORNEY GENERAL:

If I can include that I think it will be of convenience for the House. Also by the addition of the following subclause: "(2) Where the secretary issues a licence under subsection (1); he shall also issue to the applicant sufficient copies to enable him to comply with section 36." Speaking first on the initial amendment, Sir, while it is not necessarily the intention of the Government not to charge a fee, in fact, I believe it is the contrary intention, it is not appropriate to have a mandatory fee. These will be prescribed by regulations. We don't want to appear that a fee must as a matter of law be prescribed. The point of the amendment is simply to make it clear that it is a discretion and not mandatory. Speaking to the second amendment, Sir, this again is consequential on the change in Government's position towards premises. Because all the premises will be incorporated under one licence, this is the provision that requires the signatory to issue sufficient copies of the licence to enable the licence to be displayed at his various premises.

Mr Speaker then put the question in the terms of the Honourable Attorney General's amendment which was resolved in the affirmative and Clause 31, as amended, was agreed to and stood part of the Bill.

Clause 32 was agreed to and stood part of the Bill.

Clause 33

HON ATTORNEY GENERAL:

I beg to move that in this Clause everything after the word "by" be omitted and the words "amending, adding or revoking and condition in respect of a licence" be substituted. The reason for this is that the way I drafted it the first time round is rather long winded and I think it would be better to keep it as short as possible.

Mr Speaker then put the question in the terms of the Honourable Attorney General's Amendment which was resolved in the affirmative and Clause 33 as amended, was agreed to and stood part of the Bill.

Clauses 34 and 35 were agreed to and stood part of the Bill.

HON P J ISOLA:

Could I raise a point on Clause 35?

MR SPEAKER:

Yes, of course.

HON P J ISOLA:

No licence shall be transferable. That means that one bank cannot sell its licence to another, I understand that, but if they wish to do so they would be able to transfer the shares in the Bank.

HON ATTORNEY GENERAL:

Subject to obtaining permission under Clause 48.

HON P. J ISOLA:

Under what?

HON ATTORNEY GENERAL:

Under Clause 48.

HON P J ISOLA:

Why then cannot Section 35 have also "no licence shall be transferable without the consent of the Banking Commissioner", so that somebody can transfer a licence without going through the rigmarole of a first application. In other words, if Barclays Bank wants to transfer its licence and there are restrictions on the number of banking licences from either administrative policy or legislative policy, I would have thought that an existing bank licence holder should be able to transfer his licence to somebody approved by the Commissioner.

HON ATTORNEY GENERAL:

The Honourable Financial and Development Secretary may well want to comment himself but my own reaction to that is that a banking licence as such is not quite the same kind of saleable commodity as some other licences might properly be. It seems to me that really in considering one's eligibility for a banking licence one very much has in mind the personal attributes of the particular applicant or the qualification of the particular applicant and, as I say, still leaving aside the question of shares transfers, it may therefore be more desirable to require anybody who wants a licence to make his own application and to vet the thing from the start. I appreciate of course, that technically speaking, if you can have a transfer of shares you are in effect changing the structure of the Company. I cannot help feeling that it is still better to make the application for a licence as such, something that is necessary in every case if you want a licence issued in your name. It is a feeling I have about it that, really, if you are going for a licence you should go through the whole process. There is the control if you are transferring shares that the Commissioner has but I would imagine that were the share transfer to reach the stage where it was effectively a transfer of the undertaking, he may say "no, I wish to see an application for a new licence".

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, the Attorney General has in fact spelt out the reasons which I would have myself adduced had I spoken.

Clause 36

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I beg to move that everything after the words "the public" be omitted, and the words substituted "at all premises in which the licensee transacts with the public the business authorised by the licence." This is a consequential amendment on the dropping of the concept of branches and ancillary buildings and the requirements that a copy of the licence should be put up for public information in every business in which the licensee transacts business. That doesn't mean to say that he has to have a copy of his licence in his storeroom or what have you, it is where business with the public is transacted.

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 36, as amended, was agreed to and stood part of the Bill.

Clauses 37 and 38 were agreed to and stood part of the Bill.

Clause 39

HON ATTORNEY GENERAL:

Sir, I move that Clause 39 be amended, first, by renumbering the existing Clause as sub-clause (2) and by inserting before it the following new sub-clause: "(1) Where a licensee establishes a representative office in Gibraltar, it shall within one month after so establishing that office inform the Banking Supervisor in writing of the fact and of the address of the Office." The reason for this amendment is as follows. As I mentioned before, to actually carry on business from any premises within Gibraltar, to carry on banking business or deposit-taking business, you have to have approval from the Commissioner. The Commissioner would also want to know if one had any other representative office in Gibraltar. It wouldn't be necessary to get approval but it would be necessary to inform the Commissioner so he knows and that is the point of this provision. Then in sub-clause (2) to omit from the sub-clause the words "an office for the carrying on of any deposit taking business" and substitute the words "an office of any kind, either directly or through an agent". This amendment relates to activities by Gibraltar banks overseas and this is widening the requirement so that a Gibraltar bank must get permission before opening any sort of office overseas, either directly or through an agent.

Mr Speaker then put the question in the terms of the Honourable the Attorney General's amendments which was resolved in the affirmative and Clause 39, as amended, was agreed to and stood part of the Bill.

Clauses 40, 41 and 42

HON P J ISOLA:

With regard to Clause 40, presumably what is required here is that no bank shall pledge its shares as a security. Should there not be a little bit added on at the end that any such security shall be void for all purposes because presumably what this is saying is that if he pledges his shares he could lose his licence. But we want it to go a bit further, don't we? We don't want the guy who gets it as security to get his money, we want it to be void for all purposes. Is that the intention?

HON ATTORNEY GENERAL:

That is not what is intended. Let me say I am not necessarily persuaded myself at this stage that it is desirable to do that but what I was going to say was we haven't thought that far into the matter, we simply saw the control as being sufficient (a) if the licensee ran the risk of losing his licence and (b) of course he would commit a criminal offence and (c) there is a duty in this case to report any such incidents. We hadn't thought it was necessary to go further and declare void any such transactions. I know that elsewhere in the Bill there is a provision of that consequence which I have just been looking for but I am not persuaded at the moment, I would like to think about it, that they are the same kind of provisions.

Clauses 40 41 and 42 were agreed to and stood part of the Bill.

Clause 43.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I move to renumber this Clause as sub-section (1) and to add the following sub-sections: (2) Nothing in sub-section (1) shall be construed as requiring any person to incriminate himself. (3) Where a licensee makes a report to the Banking Supervisor under sub-section (1), the Commissioner may, notwithstanding any other provision in this Ordinance but without prejudice to any of his other powers under this Ordinance, allow the licensee

such a period of time as the Commissioner shall specify to remedy the contravention. (4) Where the Commissioner allows time under sub-section (3), no person shall be liable to be convicted of an offence, by reason of there having been a contravention of any provision of any of Sections 40, 41 and 42, if the contravention is remedied within the period of time so allowed." This, Mr Chairman, gives an element of flexibility on disclosure to allow a licensee to remedy any faults within a period allowed by the Commissioner.

HON ATTORNEY GENERAL:

Under Clause 43, contravention of Clauses 40, 41 and 42 have to be reported. As it is intended to give flexibility, we will also be moving an amendment to the clause dealing with offences. Further to what the Financial and Development Secretary has said, I would just like to emphasise that the new provisions which are going in are intended to encourage banks to cooperate if they inadvertently go over a limit, to encourage them to come forward and tell the Banking Commissioner and bring the matter back under control, so we are in a sense emphasising the corrective nature of it, and playing down the criminal nature of it by restricting it only to cases of wilfulness.

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 43, as amended, was agreed to and stood part of the Bill.

Clause 44 stood part of the Bill.

Clause 45

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I beg to move that the following sub-section be added to Clause 45: "(3) A person shall not be disqualified under sub-section (2) from being appointed as an auditor or from continuing to hold such an appointment by reason of the fact that he has or acquires a financial or proprietary interest in the licensee, if - (a) the Commissioner has before his appointment given him permission in writing to hold or acquire that interest; or (b) the Commissioner has before he acquires the interest given him permission in writing to acquire it; or (c) where he acquires the interest otherwise than of his own volition he informs the Commissioner in writing of the acquisition within 7 days of becoming aware of it and either - (i) the Commissioner gives him permission to continue to hold the interest; or (ii) if the Commissioner does not give him such permission he disposes of it within 14 days after being informed of the

decision of the Commissioner (or within such longer period as the Commissioner may in writing in any case allow)". This again, Mr Chairman, gives an element of flexibility to what was previously a slightly rigorous clause.

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 45, as amended, was agreed to and stood part of the Bill.

Clause 46

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move under Clause 46 (1) to insert after the words "Every licensee shall keep", the words "in respect of each of its financial years". After the Bill was published, it was pointed out to us that it did not specify the requirement that the accounts would be kept for each financial year and these words have been put in to clarify the Clause.

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 46, as amended, was agreed to and stood part of the Bill.

Clause 47

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move to omit everything after the words "Section 46" and to substitute the words "at all premises in which the licensee transacts with the public the business authorised by the licence." This again, Sir, is a consequential amendment to be charged in the concept of branches and ancillary buildings and in effect will require a copy of the accounts to be kept in every premises in which the licensee transacts business with the public.

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 47, as amended, was agreed to and stood part of the Bill.

Clause 48

HON ATTORNEY GENERAL:

I beg to move in paragraph (b) of sub-clause (2) to omit the words "carry any" and substitute the words "carry out", and in sub-clause (2) paragraph (c) to insert after the words "in agreeing to", the word "acquire". This is the Clause, Sir, which requires permission to be obtained from the Commissioner if there is a reconstruction a rearrangement or a disposal of the business of a licensee, and it is thought desirable to extend that to include the acquisition of the business or part of the business of a licensee. Sir, it would be convenient to me at this stage I think, to refer to the point made earlier by the Honourable and Learned Leader of the Opposition about transactions being null and void. In this instance there are provisions in sub-clause (3) saying that transactions which offend against the requirements of the Clause will be null and void. I think I can now reiterate what I said before that I see a need for it in this case when one is talking about major transactions. I may say I am not really persuaded that it is necessary to have it in the case of the pledge of a security for one's own security. Sir, I move accordingly.

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 48, as amended, was agreed to and stood part of the Bill.

Clause 49 was agreed to and stood part of the Bill

Clause 50

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I beg to move that this Clause be amended by the insertion, in the definition "authorised officer" after the words "the Banking Supervisor or any", the word "responsible".

HON P J ISOLA:

Before a vote is taken on that could I ask, under that sub-section (a), whether with or without the amendment it says "authorised officer" means those people authorised in writing by the Commissioner to exercise the powers conferred on authorised officers by this section. What are these powers by this Section?

HON ATTORNEY GENERAL:

It should be "under this power" so may I move an amendment accordingly?

MR SPEAKER:

Yes, by all means do.

HON ATTORNEY GENERAL:

I therefore move that paragraph (a) should be amended by deleting the words "by that section" and substituting the words "under this power".

HON P J ISOLA:

The reason why I asked that, Mr Speaker, was because I just wanted to make sure that it is only this part of the Ordinance that we are talking of authorised officers. We on this side of the House at this stage, as I said in the debate, feel that the powers contained in this part of the Ordinance should only be exercised by the Commissioner or the Banking Supervisor, fullstop. This could be neatly done by merely deleting all the words after the words "Banking Supervisor" in that section. We feel, Mr Speaker, that it is important having regard to the very wide powers, even with amendment conferred under Section 52. This does not mean that in course of time, when there are many more banks, we would not agree to an amendment to include this but I think at this point of time we feel strongly, until we have seen the Ordinance working, that should be the position. If the Banking Supervisor is on holiday or on leave then we would respectfully suggest that if it is urgent perhaps the Commissioner could do the inspection. We would like to suggest that the Government would agree to an amendment under which "authorised officer" means the Commissioner or the Banking Supervisor and all the other words are deleted.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I would very much like to meet the Honourable and Learned Leader of the Opposition on his suggested amendment. My only concern is that the Commissioner would not be a suitable person, he is not a banking man or is unlikely to be, to do this work, and as I said yesterday in the second reading debate if the Supervisor fell under a bus, was in hospital or for any reason is sick or away, one would need someone to be acting as Banking Supervisor and it

is a provision to appoint a person to act as Banking Supervisor that one would be looking for. If we take out all the words after "Banking Supervisor" we would have a problem in that respect.

HON P J ISOLA:

Mr Speaker, if that is the problem then I would crave your indulgence to put in an amendment the effect of which would be, "authorised officer" means the Commissioner, or the Banking Supervisor, or any person appointed to act as Banking Supervisor during the absence on leave, sickness or anything else. We don't want anybody else, Mr Speaker, we will have to make amendments to 51 and 52. Although we know it is necessary, we appreciate it is necessary, we are not going to vote for a section that gives an authorised officer whom we don't know who it could be these very wide powers. to inquire into the affairs of private institutions.

HON ATTORNEY GENERAL:

Can I say what I think on this matter. Dealing first with the question of acting appointment of a banking Supervisor I think to put something in here as wide as that simply to meet this point, with respect, would not be appropriate. The Banking Supervisor is appointed under the administrative provisions earlier on in the Bill and the general law being what it is, if he is sick one can appoint an acting Banking Supervisor anyway.

HON P J ISOLA:

You can?

HON ATTORNEY GENERAL:

Yes. He is a public officer and one can appoint another one. I don't think it is necessary or desirable to put anything to that effect in here. Having said that, it seems to me, if I can reiterate what the Honourable Financial and Development Secretary said, that the Commissioner since he is at the top of the process, as it were, it is best that he doesn't get involved in going out and making inspections and seeking information, that he should use the Banking Supervisor to do this rather than he doing it himself which then means that one is left with only one person who is either the Banking Supervisor or if he is sick there is still only one person it would be the acting Banking Supervisor, and from a practical point of view while the Honourable the Financial and Development Secretary has already indicated that in spirit the point that is being made is taken, I think one really has to have some power to have the scope to at least

appoint another person to go out and do this work if it became urgently necessary and I do suggest that if we say "responsible authorised person" that does limit. I appreciate there is a conflict but I think if you limit it to only one person holding the fort it could be rather dangerous.

HON P J ISOLA:

Mr Speaker, having heard the explanation of the Honourable and Learned Attorney General then the point or the fears expressed by the Financial and Development Secretary are in fact met because if the Banking Supervisor is a public officer and during his absence, either sick or on leave, somebody else can be appointed, this is fine, we don't mind it in those circumstances. I only suggested the Commissioner because the law itself is suggesting him as an authorised officer. What I was suggesting is that the Commissioner might like to do it but I appreciate the reasons for him not doing it. What we are saying is that with 10, 15 or 20 banks, we have not got that, we have only got about 8 in Gibraltar, we see no reason why this most serious of all responsibilities should not be carried out personally by the Banking Supervisor and if, in fact, somebody can act during his absence then I am going to move that all the words after the words "Banking Supervisor" should be deleted because then I think the thing is met.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

We are prepared to go along with that. With the leave of the House may I withdraw my amendment so that the Honourable and Learned the Leader of the Opposition can make his.

HON P J ISOLA:

Mr Speaker, I move that Clause 50 (a) of the Bill be amended by the deletion of all the words after the words "Banking Supervisor" in the second line thereof up to and including the word "section".

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 50, as amended, was agreed to and stood part of the Bill.

Clause 51

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move an amendment to Clause 51

(1) (b) to omit the words "reasonably required him to do so for the purposes of this Ordinance", and substitute the words "requiring him to do so for the purposes of the prudential supervision of deposit-taking businesses". Sir, this amendment I did mention yesterday in that the Banking Supervisor will only be able to seek the information or ask for information for the purpose of prudential supervision. He cannot seek information for idle or mischievous curiosity.

HON P J ISOLA:

Mr Speaker, we welcome this amendment. I think it does improve the position quite considerably as, indeed, the proposed amendment to the next clause.

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 51, as amended, was agreed to and stood part of the Bill.

Clause 52

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move that the words "Any authorised officer may at any time" be deleted and the words substituted therefor as follows: "An authorised officer may for the purposes of the prudential supervision of deposit-taking businesses". This again links with the previous amendment which has been passed by the House.

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 52, as amended, was agreed to and stood part of the Bill.

Clause 53

HON ATTORNEY GENERAL:

Sir, I move that this Clause be amended by inserting after sub-clause (2) the following new sub-clause and to consequentially renumber the subsequent sub-clauses accordingly: "(3) The Commissioner may from time to time revoke or vary a decision given under this section, in the same manner as it was given". Sir, there are two Clauses in the Bill dealing with directions. This Clause deals with directions during the currency of the operations of a deposit-taking business a subsequent clause deals with

directions on a winding-up or on a cancellation. In the subsequent section there is this expressed power to revoke or vary directions. I think it is as well that we should repeat it here to avoid any possible conflict of interpretation.

Mr Speaker then put the question in the terms of the Honourable Attorney General's amendment which was resolved in the affirmative, and clause 53, as amended, was agreed to and stood part of the Bill.

Clauses 54 to 58 were agreed to and stood part of the Bill.

Clause 59

HON ATTORNEY GENERAL:

Sir, I move that sub-clause (2) be deleted. Sir, this clause deals with determination of applications for cancellation of a licence and in that Clause as it appears in the Bill at present, one of the options that we provided for the Commissioner if he decided to cancel a licence was to decide to suspend the cancellation and, simply put, we think that is an over refinement, he either cancels or he doesn't cancel. He already has powers to take lesser steps before he gets to that point but once he is at the stage of cancellation we think it is an over refinement to actually suspend cancellation and could in fact lead to a situation that it wasn't entirely satisfactory and so we are proposing to omit this weapon in the armoury of the Commissioner.

Mr Speaker then put the question in the terms of the Honourable Attorney General's amendment which was resolved in the affirmative and Clause 59, as amended, was agreed to and stood part of the Bill.

Clause 60

HON ATTORNEY GENERAL:

Sir, I move that this Clause be amended by omitting sub-clauses (3), (4) and (5) and substituting the following sub-clauses: "(3) The Commissioner may from time to time revoke or vary a direction given under this section, in the same manner as it was given. (4) unless it is sooner revoked, a direction given under this section shall cease to have effect when the institution to which it relates ceases to have any liability to its depositors and creditors, collectively and severally." Sir, this clause at present says that a direction on a cancellation will

only endure for a specified period of time unless it is renewed and we think in much the same way as we think that a suspension of a cancellation is an over refinement, we see on reflection this as being unduly limiting. There is no reason of course why the Commissioner cannot cancel a direction whenever he likes but we think it could be too restrictive to have a set time limit on them bearing in mind that we are now talking about the situation where the bank is, if you like, in liquidation and being wound up and therefore we are proposing to eliminate that restriction on directions.

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 60, as amended, was agreed to and stood part of the Bill.

Clause 61 was agreed to and stood part of the Bill.

Clause 62

HON ATTORNEY GENERAL:

Sir, I move that Clause 62 (1) (b) be amended by inserting after the word "direction" the words "or variation of a direction" and that Clause 62 (1) (d) be amended by inserting after the word "direction", the words "or variation of a direction". Sir, the point of each amendment is the same. This Clause deals with rights of appeal and we simply want to make it quite clear that if a direction is varied then there is a right of appeal.

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 62, as amended, was agreed to and stood part of the Bill.

Clauses 63 and 64 were agreed to and stood part of the Bill.

HON P J ISOLA:

Sir, the appeal to the Governor, I presume that would be the Governor-in-Council?

ATTORNEY GENERAL:

Yes it does, it means the Governor in Gibraltar Council. Whereas earlier legislation does use the term Governor-in-Council and Governor, I think constitutionally there is no need to add those words, the word Governor constitutionally

means the Governor acting on advice or acting otherwise but in this case that is what it means, yes.

Clause 65

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I am afraid I have a number of amendments to this Clause. I don't know whether you would like me to take them seriatim or together.

MR SPEAKER:

I think we should give the Opposition the right to vote separately.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Very good. The first then is to Clause 65 (1) to omit paragraph (c) and substitute the following "(c) any word or words resembling the word "bank" in such a manner as to indicate or to be likely to cause any other person to believe that the first person is a bank or is carrying on the business of a bank."

HON P J ISOLA:

Do you mean that such a word as "finance" would be regarded as resembling a bank, because there are a lot of companies forming with these sort of words. They will be coming very closely resembling banks would it, so that would be the idea?

HON ATTORNEY GENERAL:

Sir, there would be a word or a form of words which would leave the ordinary man in the street to suppose that what was going on was banking.

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 the amendment was accordingly passed.

HON ATTORNEY GENERAL:

Sir, I beg to move in Clause 65 (2) (e) that the words "to whom sub-section (1) does not apply", be omitted and be

substituted by the words "to whom either of paragraphs (c) and (d) refers."

Mr Speaker the 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.

Mr Speaker:

There is a further amendment, I believe.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move that the following sub-clauses be added to Clause 65; "(3) Nothing in sub-section (1) shall prohibit a licensee holding a limited licence from using the expression "bank" or a cognate or similar expression with reference to himself in any case where - (a) he wishes to comply with or take advantage of any relevant provision of law or custom; and (b) it is necessary for him to use that expression in order to be able to assert that he is complying with or entitled to take advantage of that provision". "(4) In sub-section (3), relevant provision of law or custom" means any enactment, any instrument made under an enactment, any international agreement, any rule of law or any commercial usage or practice which confers any benefit on or otherwise has effect only, in relation to a person by virtue of his being a bank or banker. "(5) Nothing in sub-section (1) shall prohibit a licensee holding a limited licence from using the expression "banking services" in relation to any of the services provided by it if - (a) the use of the expression is not in such immediate conjunction with the name of the institution that the expression might reasonably be thought to form part of its name; and (b) the expression does not appear on any notice or sign or in any other writing that is for the time being so displayed as to be visible to persons frequenting any place or building to which the public has access and (c) the expression is not used in any advertisement for or in connection with the soliciting of deposits from the public." I beg to move.

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, the amendment was accordingly passed.

Clause 65 as amended, was agreed to and stood part of the Bill.

Clauses 66 to 72 were agreed to and stood part of the Bill.

Clause 73

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, both the Attorney General and myself have a number of amendments to this Clause, If you and the House so agree you may prefer to vote on each amendment separately.

MR SPEAKER:

Most certainly. Does one amendment affect the others or shall we take them in the right sequence.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think if they went in sequence, Sir, it would be best.

HON ATTORNEY GENERAL:

Sir, by your leave since they relate to a criminal section it might be easier if one of us takes them.

MR SPEAKER:

I am not concerned as to who proposes the amendments, I am concerned that they should be taken in the right sequence.

HON ATTORNEY GENERAL:

In that case I will take them. Sir, the first amendment is in clause 73 (1) to insert after the words "who contravenes" the words "any provision of" and to omit the words "for a term of" and substitute the words "for a term not exceeding". These are amendments simply to achieve consistency of style in the expression of a criminal offence.

Mr Speaker then put the question in the terms of the Honourable the Attorney General's amendments which was resolved in the affirmative and the amendment were accordingly passed.

HON ATTORNEY GENERAL:

Sir, I now move that sub-clause (2) be omitted and that the following sub-clause be substituted. "(2) any licensee who - (a) contravenes any provision of any of Sections 38, 39, 43, 44, 45, 46, 49 and 61; or (b) wilfully contravenes any provision of any sections 40, 41 and 42 - commits an offence which shall be liable on conviction on

inducement to a fine not exceeding \$5,000". Sir, this amendment has two purposes. The first relates to Sections 40, 41 and 42 and as Honourable Members may recall, these are Sections in respect of which if there is a contravention the licensee concerned must report that contravention to the Commissioner and we feel because he has got that duty to report and cooperate and because of what I was saying before about the main thrust of the section being to be preventive rather than impose a criminal sanction we think that they should only be criminally liable if they wilfully contravene the provisions. This is the first amendment, Sir. Two other small points of the amendment in relation to "Clause 45 it is necessary to be more specific in 41 (1), and I have also taken the liberty of including Clause 43 because I think it would be an offence not to comply with Clause 43 which is the Clause under which you report contraventions. I move accordingly Sir.

HON P J ISOLA:

I notice 48 has been omitted. Is that deliberate?

HON ATTORNEY GENERAL:

Clause 48 has been omitted because it is covered further down. It is covered in sub-clause 5 (a).

Mr Speaker then put the question in the terms of the Honourable the Attorney General's amendments which was resolved in the affirmative, and the amendments were accordingly passed.

HON ATTORNEY GENERAL:

I now move, Sir, that the Clause be amended by inserting in sub-clause (4) after the word "direction" the words "or variation of a direction". The reason for that, Sir, is consequential from the point I was making before. In the same way as we wanted to make it clear that there was a right of appeal against the variation of the direction we would also like to convey it the other way and make it clear that there is criminal liability for a contravention of a variation.

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.

HON ATTORNEY GENERAL:

I also move that in sub-clause (5) the expression "48, 49" be omitted and that there be substituted the expression "48 (2)".

The reason for this is that it is more necessary to be more specific about Clause 48. Secondly, that in the same way as Clause 48 was repeated so was Clause 49 and that is already covered in sub-clause (2) so it is not necessary to refer to it twice. I move accordingly, Sir.

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.

HON ATTORNEY GENERAL:

In sub-clause (10), Sir, I move that paragraph (f) be omitted and that the following paragraph be substituted. "(f) to the disclosure of any information that is required to be disclosed pursuant to any other enactment; or". Sir, the reason for this is, as I mentioned in the second reading debate on this Bill, at the most in the same way as the English Act so provides, there is a requirement in Clause 73, or I should say permission is given in Clause 73 (10) to disclose any information that is required in the course of administering the Ordinance for the purposes of any criminal inquiry whatsoever, and we think and we accept that this is really too wide and is probably not sound in principle and that therefore information obtained under this Bill should not be able to be disclosed pursuant to the authority of this Bill for any purpose other than an offence under this Bill. I think not only is it a question of being unduly hard on people I think it is also a question of efficacy. If there are these restrictions then I think people will have more confidence in disclosing information to the Banking Commissioner for banking purposes, the same philosophy as in the case of Income Tax. At the same time, of course, if some other statute expressly says that a police officer or somebody may obtain a warrant, may go into a bank and obtain information, if some other statute itself said that this Bill is not interfering with that and therefore sub-clause (f), as amended is merely declaratory of what the position would be under that other statute. I am bound to say that if anybody takes exception the position would still be the same even if there wasn't the Clause, there but I would see no real reason even to dropping it. I would just like to stress that it is not the point of the disclosure provisions in this Bill to use the scheme set up by this Bill as a device for feeding information to other law enforcement agencies..

HON P J ISOLA:

The only thing is that this Clause says in sub-section (9) which is the secrecy provision, that you cannot disclose any information otherwise you are fined or sent to prison and then it says sub-section (9) shall not apply and then it says, this

particular clause to the disclosure of any information pursuant to any other enactment. I can understand if you get a warrant and some Ordinance allows information to be obtained, but to the disclosure by whom, by the Banking Supervisor or to the Banking Supervisor? In other words the Income Tax Ordinance has provisions for disclosure but does it mean that the Banking Supervisor would be able to disclose to the Commissioner of Income Tax any information that a particular bank or somebody should have disclosed pursuant to the Income Tax Ordinance? I am just giving an example. I understand what the Honourable and Learned Attorney General had to say but I am just wondering whether that section now as drafted is not wide enough to allow the Banking Supervisor to pass on information which should have been passed on by somebody pursuant to a particular Ordinance.

HON ATTORNEY GENERAL:

The principle which I am trying to achieve in the proposed amendment is this, that if after due consideration the legislature has in another Ordinance given power to some authority to obtain information whether it be by a warrant obtained by a police officer on going to Court or by anyone else, nothing in this Bill is restricting that power. I did say a few minutes ago that I would have no objection to seeing my proposed new (f) come out but on reflection I think it is necessary because if it comes out we then set up a position of conflict between sub-clause (9) which is on its face absolute in the latest legislative enactment and provisions of which we don't intend to alter such as the provisions whereby someone can go to a court and get a search warrant for criminal purposes. There is nothing in the amendment which is encouraging the Banking Commissioner to disclose information. He will only be able to do so as the legislature has already said in this context.

HON G T RESTANO:

Would the Honourable and Learned Attorney General agree to to interposing of the word "obtained", i.e., to the disclosure of any information obtained pursuant to any other enactment.

HON ATTORNEY GENERAL:

I think, Sir, that would mean something slightly different. That would mean that the person making the disclosure had obtained the information. The situation we are trying to cover, the only real example I can think of is rather a startling example, but where a police officer has to come to a bank manager or possibly to the Banking Commissioner and say "We need to know about this matter, and I think that if

the word "obtained" went in that would change the meaning. If it were to read "to the disclosure pursuant to any other enactment of any information obtained under this enactment" that would be different.

HON G T RESTANO:

It is just, Mr Speaker, that I feel that the way it is drafted would allow the Banking Supervisor to make disclosures of information that ought to have been disclosed in another enactment.

HON ATTORNEY GENERAL:

Would it help if we were to narrow it so that it is not merely disclosure pursuant to the authority the permissive authority of another enactment, but disclosure that is mandatorily required under another enactment. In other words, that there is another enactment which says that if this official requires you to do so, you must give him information, that would apply but if he merely has the power to ask you then the banking authority would not be bound to do so. In that case I must amend my proposed amendment to read "to the disclosure of any information that is required to be disclosed pursuant to any other amendment."

Mr Speaker then put the question on the terms of the Honourable the Attorney General's amendment which was resolved in the affirmative and the amendment was accordingly passed.

HON ATTORNEY GENERAL:

The final set of amendments, Sir, to this sub-clause are to paragraph (g) and they are all related so I would propose to take them all together. To insert after the words "of any information" the words "being information relating to the nature or conduct of the business of a licensee authorised by a licence or the business of any other relevant person as defined in Section 50". Secondly, to omit the word "financial" in both places where it appears and substitute the words "deposit-taking" in each case. Thirdly, to insert in sub-paragraph (1) before the words "an interest" the words "or proposes to acquire" and, finally, to insert in sub-paragraph (11) before the words "control or supervision" the word "prudential". I think, strictly, the third of those amendments is not quite related to the others but if I can speak about the others first.

MR SPEAKER:

Yes, you can speak about the other first and then the final one.

HON ATTORNEY GENERAL:

The first, second and fourth amendments are intended to meet an area of concern as to the extent to which information will be disclosed by the banking authorities in Gibraltar to overseas authorities. It is not the intention to have this as a sweeping power of disclosure. We wish to limit it so that a disclosure that is made that relates to a licensee, the nature or conduct of a licensee's business rather than into a particular individual customer. A little bit wider than that it could also be disclosed if it relates to the business of a relevant person, but relevant persons are defined as persons who have some connection with the carrying on of the deposit-taking businesses so we feel that is reasonable. Instead of having it so wide as financial institutions, in other words, instead of being able to transmit the information to any financial institution overseas, we are cutting that back to deposit-taking bodies who supervise deposit-taking institutions overseas which is rather narrower and finally, it would not be any authority that supervises or controls it would be any authority that is concerned to prudentially supervise and control and we think those amendments, collectively, narrow down the scope or the basis on which the Gibraltar banking authorities can pass information to overseas authorities. That is the point of that amendment. The other amendment is really separate and is intended to authorise disclosure not merely where a person already has an interest in a deposit-taking business but where he has the intention of requiring it and so disclosure can be made in anticipation. Sir, I move accordingly.

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 73 was agreed to and stood part of the Bill.

Clauses 74, 75 and 76 were agreed to and stood part of the Bill.

Clause 77

HON ATTORNEY GENERAL:

Sir, the amendment I have to propose is that this be renumbered as sub-clause (1) and that the following sub-clause be added "(2) every reference in every other enactment to the Banking Ordinance of 1956 shall from the commencement of this Ordinance, unless the context otherwise requires, be construed as including a reference to this Ordinance". Sir, this is a normal technique in replacing an ordinance and it is merely

a drafting device to catch consequential references.

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 77, as amended, was agreed to and stood part of the Bill.

Clause 78

HON ATTORNEY GENERAL:

Sir, there are four amendments here. They are all related in the sense that a number of very minor gremlins seem to have crept into this clause and I would like to take the opportunity to correct them. The first amendment is in sub-clause (3) after the words "27 as" to insert the words "to". The second one is to omit from the last line of sub-clause (4) the word "or" and substitute the "or". The third one is to omit from sub-clause (7) the words "Sections 5 and 6" and substitute the words "subsections (5) and (6)". Finally, to omit from sub-clause (7) the expression "(5) and (6)" and substitute "and (7)". I move accordingly.

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 78, as amended, was agreed to and stood part of the Bill.

Clause 79 was agreed to and stood part of the Bill.

MR SPEAKER:

I would remind the House that we still have to deal with Clause 7 which I understand will be subject to an amendment which is not quite ready yet so we will now recess until this afternoon at 3.15 when we will continue with the Bill.

The House recessed at 1.15 pm

The House resumed at 3.25 pm

MR SPEAKER:

I would remind the House that we are still in Committee and we are still considering the Banking Bill. I believe there is an amendment to Clause 7 which we deferred.

HON ATTORNEY GENERAL:

We have considered the matter in relation to Clause 7, the point raised by the Honourable and Learned Leader of the Opposition, and we think changes to it are necessary. There are three particular exemptions which need looking at, the first is that relating to building societies, the second that relating to friendly societies and the third which was the one which was in fact mentioned, is that relating to insurance companies. Perhaps, Mr Speaker, I should go through my motion which is to add to paragraph (c) the following words at the end of paragraph (c), "in respect of any business that it is authorised to undertake by virtue of its registration" - and that relates to building societies - to omit paragraph (b) altogether and to renumber the present paragraph (e) as paragraph (d) and then to add to paragraph (d), as so renumbered, the last paragraph, the following words, "in respect of any insurance business that it is authorised to carry on pursuant to a certificate issued to it under that Ordinance." Dealing with the three points separately, in the case of the Building Societies Ordinance, that Ordinance says that a Building Society may be formed for particular purposes and that the purpose in fact is that you may form a society to receive subscriptions from members in order to raise mortgage money to lend back to them. Under the Building Societies Ordinance, the Registrar and the Financial and Development Secretary have powers to control the activities of building societies, we also have powers to control advertisements under this Bill, and we think that, collectively, the amendment plus the two other points I have mentioned will be sufficient to ensure that they don't intrude into areas outside their proper limits of activity. The case of friendly societies is slightly different. I looked at the Ordinance at lunch time and I cannot see in it that it definitively sets out the various purposes for which a friendly society can be formed and we most certainly would not wish to allow an outlet that friendly societies can get into the banking business without a licence. What we therefore propose is to delete this from the absolute exceptions and to cover it after due consideration and before the Bill becomes law by an order under sub-clause (3). In the case of insurance companies the matter is clear-cut because a certificate for an insurance company under the Assurance Companies Ordinance defines the type of insurance business they can undertake and so there we are simply saying to the extent that the Company is operating pursuant to such a certificate it is exempt from this Ordinance which I think is absolutely correct and I am obliged for having that point brought to my attention. It would be necessary for the sake of completeness to make a small consequential amendment to Clause 50, which I know we have already covered Mr Speaker.

MR SPEAKER:

We will have to wait until this amendment is carried.

HON ATTORNEY GENERAL:

Yes of course, I move accordingly.

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

HON P J ISOLA:

What is the certificate that is issued? Is it just that you are an authorised insurer or what?

HON ATTORNEY GENERAL:

The Ordinance itself sets out the various types of business that are insurance business and the certificate issued to each particular company says what insurance business that company can carry on.

HON P J ISOLA:

I see.

HON A J HAYNES:

Sir, what is the position as regards captive insurance companies in respect of their entitlement under the certificate? Just how close is the active business of a captive insurance company in relation to the deposit-taking business?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

They will get a certificate in the same way defining the type of business which they can carry out as would, say, a life company or any other company. What they are allowed to do would be spelt out in that certificate so that it would be quite clear that they would be able to carry on that business out with the Ordinance but only that business and no other business.

HON A J HAYNES:

Is it not true to say, Mr Chairman, that as a captive

insurance company with a certificate they would be able to do business rather similar to that envisaged in the deposit side of banking without having the constraints a bank would have in the same business?

HON ATTORNEY GENERAL:

The business for which certificates are issued is in one way or another insurance business.

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.

HON ATTORNEY GENERAL:

Mr Chairman, I would ask if we could reconsider Clause 50 because there would be a necessary or desirable at least consequential amendment to Clause 50.

MR SPEAKER:

What is the amendment that you are proposing?

HON ATTORNEY GENERAL:

The amendment I propose is to add to the end of that clause the words "to the extent that that person is exempted from the provisions of Sections 5 and 6". If I can explain briefly, the clause concerned defines who are relevant persons and at present says that a relevant person does not include anyone who is exempted under Section (7) but because we are narrowing the scope of the exemption under Section (7) I think we should add these qualifying words "to the extent that that person is exempted."

Mr Speaker then put the question in the terms of the Honourable Attorney General's amendment which was resolved in the affirmative and Clause 50 was accordingly further amended and stood part of the Bill.

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

MOTIONS

MR. SPEAKER:

We are going to Government motions again. We are dealing now with the motion which was moved by the Honourable and Learned the Chief Minister. The position is that the motion was moved, the Honourable and Learned the Leader of the Opposition replied, Mr Bossano was contributing to the motion and he was seeking the views of both the Chief Minister and the Leader of the Opposition as to how his amendment was going to be received before he made it.

HON CHIEF MINISTER:

He had some idea about part of the motion which he didn't like and there was a sincere attempt by all parties to see whether we could come to a consensus motion but that has not been possible. I think as far as I am concerned now the Honourable Member is on his feet proposing an amendment.

HON J BOSSANO:

I gave an indication, Mr Speaker, of the reason why I could not support the motion as it stood and of the part of the motion that I thought required deleting and, in fact, I did not move an amendment deleting those words because I was seeking an indication as to whether that would be supported if it was moved, that is the situation. The position as I was saying was that I cannot accept the limitation on the commitment to support and sustain the people of Gibraltar for so long as the restrictions make this necessary particularly since as I recalled earlier, I had made the point publicly that the removal of the restrictions would have had a traumatic effect on the economy of Gibraltar, in my judgement, equal in magnitude to the introduction of the original restrictions and therefore it is clear to me that if we are talking about restrictions, the sudden removal of the restrictions involving a new economic environment for Gibraltar could well require a level of assistance perhaps even greater than that which has been required in the past. Additionally, the point that I have made is that the obligation of Her Majesty's Government to sustain the economy of Gibraltar arises out of the nature of our constitutional relationship because we are not an independent state because even to borrow money we require to have clearance from the United Kingdom Government. I recognised that the British Government has committed itself only to the extent of supporting and sustaining the people of Gibraltar for so long as the restrictions are necessary but I have also said, Mr Speaker, that I do not agree that it is factual to say that we were not getting assistance

before the restrictions or that the assistance was less than what we are getting today. It is certainly not factual to say this of the last 18 months. One can certainly say that in the last 18 months the level of aid has been below what it was before the restrictions were put on and in fact I think when I raised this point in a recent television appearance with the Honourable and Learned the Chief Minister, he said that way back in 1964 and 1963 when we were getting Commonwealth and Development Welfare Funds they were putting for housing projects £1 to every £2 we put. Well, in fact, in this year's estimates out of a £9m programme, we are putting £6m and they are putting £3m, which is £1 for every £2, and that is not due to the restrictions because that was happening in 1964. It seems to me almost, again, that to suggest that we need to express confidence in that they will keep to public commitments, is almost to saying that we doubted that they will keep to their public commitments and I have asked the House, in fact, to express confidence that the British Government, notwithstanding the fact that there is no commitment, will support and sustain the people of Gibraltar should the need arise whether there are restrictions or whether there are no restrictions. I find it very difficult to understand why this is unacceptable to the rest of the Members of the House of Assembly. I recognise that we cannot say that we have confidence in a commitment that they will do something when the commitment is not there. This is why accepting that point I said originally: "Well, let us take both commitment and restrictions out." Subsequently, after discussing the matter with the Honourable and Learned the Chief Minister, I suggested what I thought was a rather cumbersome way of dealing with the problem but to re-introduce the word "commitment" by having the motion amended to say that we expressed our appreciation for their continued commitment to support and sustain the people of Gibraltar in overcoming the adverse effects of the restrictions and that we had confidence that they will provide support for the Gibraltar economy whenever this is necessary in discharge of the obligations that the British Government has got as the power administering Gibraltar. This, I am afraid, Mr Speaker, I have been told is not acceptable either and therefore I am going to move an amendment which I consider accurately reflects what I feel on this matter and also which I consider meets fully the objections that have been raised by other members. What I would like to do is to first of all split up paragraph (4) because the first part of paragraph (4) expressing our appreciation to Her Majesty's Government for upholding the right of the people of Gibraltar to determine their future obviously I do not want to vote against, and I cannot vote for half a paragraph. I am asking that the words after the word "future" in paragraph (4) should be deleted and that a new paragraph (5) should be added to read as follows: "(5) Welcomes the continuing commitment of Her Majesty's Government to support and sustain the people of Gibraltar in overcoming the effects of the restrictions and is confident that Britain will support the

economy of Gibraltar whenever this is necessary." That is the amendment that I am formally moving, Mr Speaker. I am deleting Mr Speaker, in paragraph (4) all the words after the word "future" in the third line so that paragraph (4) will only retain the second part because in fact if I am unable to obtain support for the amendment, then I would still wish to vote in support of that part of the existing paragraph (4) since I have no quarrel with that. It is because I cannot vote for part of a particular paragraph that I am saying I am moving the deletion of the part that I cannot vote for so that I can still vote for what remains behind and I am proposing that the remaining part, the part that I am deleting, should be restored in a new paragraph (5) with the additional words saying that we have confidence that Britain will support the economy of Gibraltar whenever Gibraltar needs it, whilst at the same time welcoming the commitment that exists to support and sustain the people of Gibraltar whilst the restrictions last.

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

HON CHIEF MINISTER:

Mr Speaker, I will speak on the amendment now. Whilst I agree entirely with what the Honourable Mr Bossano said at the beginning about the level of aid, it is true that in the last 18 months we have except for the \$4m which has been full of conditions, the question of aid has been suspended for a number of reasons and it is in order to continue to commit or rather to make the British Government continue in its commitment of support and sustain that the phrase in paragraph (4) is the way it has been put in order to make clear that the commitment is there and behind the motion, in the efforts that we are making, to say that the level of aid must be restored. They are waiting for what is called the package of the closed Dockyard and the open frontier and all that, well, we know one of them is not on and we don't know what has happened to the other one but there is no doubt about it that for reasons better known to themselves the question of aid has been in suspense. I make no bones about that and we are very concerned about this, we have said so in public we have told the Secretary of State, the Financial and Development Secretary has also seen people at the ODA about these matters at the level of officials and this is a matter which we have to pursue with great energy because otherwise we are in for a difficult time. The point is that the wording of the second part of the motion where the first part in paragraph (4) is taken, leaves it so vague that, really, it means very little. It says "welcomes the continuing commitment of HMG to sustain and support the people of Gibraltar in overcoming the effects of the restrictions." There is no problem about that. But the words that come after, of course may be alright from the point of view of getting a motion but

what do they mean? "and is confident that Britain will support the economy of Gibraltar whenever it is necessary". Well, it is necessary now, we are having difficulties, and the other difficulty that we have is that if we make a very broad statement of need of help from the United Kingdom then the whole basis of how our economy is run, what is being done, how are people living and all that, comes in to play and the last thing we want is for Britain to think that we are dependent on her other than as an emergency because otherwise Gibraltar although its got its fair share of aid without asking much for it, it was just the handouts that were given to dependent territories, it is quite clear that prior to the restrictions Gibraltar's economy was run in a way that did not require the level of aid that came about as a result of the difficulties that were encountered by the economy with the restrictions. I feel that before the House takes a vote on a motion of this nature we have to be careful what we are going to say because after all the motion has got to be communicated because that is the purpose, apart from satisfying ourselves that we have been able to make public our views on this matter on the first occasion since the Spaniards reneged on the commitment on the 8th of January to open communications and I fear that these words could be interpreted in London as an expectation that we are forever to be helped by the British Government. Of course, the constitution has an ultimate responsibility by the British Government to underwrite the economy of Gibraltar, that is true, but how that can be done is another matter because immediately the situation comes when the question of the budget is the subject of aid as there are many grant aided territories, then they come in and you can't buy a bicycle or a typewriter without having the consent of London. That is not the sort of help that we want in Gibraltar. The development aid help has been help for the infrastructure and not for the budget and we have to maintain, as far as we can, that the help we get from Britain is got for infrastructure and that does not involve aid to the budget because aid to the budget then deprives us to run the economy the way we think and then they would have a say even though the aid may be 1/5th of the total budget provided by the territory. Immediately there is a grant aid, if the territory is grant-aided then in come the Treasury people to see how you run the little pieces that they give you. The best feature of the development aid programme is that they do keep a control on the aid side but not on the running of the budget because that is run with money which we raise ourselves. Even in the aid fund, they are now becoming so difficult that they want to know how you are running the rest of your economy as to whether the aid is required for this purpose or that as has been shown clearly that for the time being the aid, certainly the \$4m tranche for which there were no pre-conditions put at the time it was offered, they have refused bluntly to allow any of that money to go to the social services such as housing. Therefore, we have to be careful how we ask for the aid in order not to appear to become completely dependent on British aid though relying

of course in the British Government commitment to support and sustain the economy in difficult circumstances. I say that about the amendment alone now and my Honourable Colleague will be later on proposing an amendment to the amendment that might meet part of the way but meet also the objections that we have.

HON P J ISOLA:

Mr Speaker, I must say that this particular amendment to me is better than the other one. I think it is more palatable than the other one which talked of "administering power" and all the rest which I don't like very much. It referred to Britain as the administering power and so forth and I didn't like the phraseology. If I can deal with it in two sections. It says: "Welcomes the continuing commitment of FKG to support and sustain the people of Gibraltar in overcoming the effects of the restrictions." I would just stop there for a moment and say we have had those restrictions since 1968, we haven't really overcome them and with a closed frontier there are certain constraints in the economy of which we are all aware and therefore what we need, really, is support and sustenance of the economy, you don't necessarily overcome them.

HON J BOSSANO:

You don't overcome restrictions, you overcome the effects of the restrictions.

HON P J ISOLA:

This is a matter of argument. You can have a lot of people saying that with the frontier closed. Gibraltar's economy will never be right. There are people who say that, I am not saying they are right. I think it is important to put the commitment as it has been given in the motion, I think that is important, we are not misrepresenting what somebody else has said. There is not that much difference I can see but why not put it in the way it has been given, as we have got it. We cannot change what the British Government has said. On the second one, if we take that off and leave our paragraph (4) as it was, then you are left with a paragraph (5) "is confident that Britain will support the economy of Gibraltar whenever this is necessary." Well, Mr Speaker, that is a very general phrase. Who decides whether it is necessary? London can say: "There is no need to give you anything. Why should you have full employment? We in England have 12% and in Europe they have got 10%. You are enjoying a very high standard of living so it is not necessary for us to give you anything. You can put things right yourselves by for example increasing your rates of tax still higher and making people pay more for this that and the

other." That is not the sort of general phrase that we want. The draft that was circulated and which I believe is going to be proposed by another member of the Government and with which I agree, what that seeks to do is what I think we all want. One thing are the Spanish restrictions. As long as the Spanish restrictions are on there is that commitment: "We will sustain and support you we will beat them". It is very important that that stays independently of Britain's obligations as the colonial power or as the mother country or whatever. As far as Gibraltar is concerned, obviously we would like to make our own way in life and support ourselves, any self-respecting people want that, but of course there are constraints on that as well, it is not always possible to do it. What we want is protection from the effects of outside decisions, for example, closure of the Dockyard. Someone says, "Well we've got to close the Dockyard because the Ministry of Defence has decided that they don't want to repair any more ships in Gibraltar." That is a major disaster with a frontier open or with a frontier closed. We need protection against that sort of thing, and I think Britain is prepared to give it and they have said it and we have got to express confidence in that sort of thing. In other words what we draft, what goes out is something that must appear reasonable to us and reasonable to anybody who has a reasonable knowledge of Gibraltar and of the way things go in a democratic society. That is why, Mr Speaker, as I say, this particular amendment to me is more palatable than the other one I saw but is not as palatable as the one that I saw before, which I believe is going to be put forward and I would go along with, and I want the commitment of FKG, I think it ought to be expressed in the way it has been stated by them otherwise it loses its strength and its value. We won't be voting in favour of the amendment, not because we particularly dislike it, but we prefer the other alternatives.

MR SPEAKER:

Does any Honourable Member wish to speak on the amendment which is proposed? Then I will ask the Honourable Mr Bossano to reply.

HON J BOSSANO:

Mr Speaker, I said when I moved this amendment, that I had phrased it in a way that I thought met the objections that have been raised previously. This is why, in fact, it has been phrased the way it has. I cannot for the life of me understand why it is that if I put in an amendment of mine the word "necessary", I am told that, well, who decides what is necessary. Britain might turn round to us and say: "We have got 12% unemployment, we've got economic recession and so on, and therefore this is valueless because I am confident that they will support the economy of Gibraltar whenever it

is necessary, but necessary is undefined." And yet, if necessary appears in the motion put forward by the Honourable Member, it does not suffer that defect. Surely, there is nothing to stop the British Government that is willing to say to me in the case of "necessary" in this amendment: "Ah, but we've got 12% unemployment," to stop them saying to us: "Ah, yes, I know that you are suffering from the restrictions but of course you have only got 3% of unemployment even with restrictions so it is not necessary to do anything more for the time being until you go beyond the 12% we have got in England."

HON P J ISOLA:

If the Hon Member will give way. I think he is falling into a very, very dangerous trap. The support and sustain because of the restrictions, everybody knows what that means, including the British Government. That is a "necessary" that has a meaning, we know what it means. The other "necessary" is a different kind of "necessary", and I think he should not argue that it is possible for the British Government, whilst there are restrictions, to argue in the way he is arguing. When the restrictions have gone, that is another story.

HON J BOSSANO:

No, Mr Speaker, I do not agree with the Honourable Member. I do not agree with him. I think that the argument that he has put applies to both "necessaries" and not only that. If he says that it does not apply, then perhaps he can tell me on what his confidence is based because it would seem that the British Government have not thought it necessary for the last 18 months. The Chief Minister has just confirmed that aid is in suspense and the restrictions are still on. Why is that? Because their definition of what is necessary and our definition of what is necessary happens to differ at this point in time. If the Honourable Member says that what I am saying is going to put ideas into the heads of the British Government then I am afraid he is mistaken, it seems to me the idea is already there. If the Honourable Member is saying that there are strings attached to the £4m and that they want to know how we are spending the rest of the money that we put ourselves before they decide what they give us money in respect of social services then clearly, their interpretation of their commitment of the level of support and sustain that Gibraltar is entitled to expect is determined by what they think is necessary, that is necessary for what? Necessary for us to have a certain standard of living and, presumably, if the restrictions are still on and we have a higher standard of living than in the UK, their argument will be: "There may be restrictions, but it isn't necessary for us to give you aid because, in fact, you are better off than we are." That is an argument that is being

used because it certainly has been put to me by Mr Roberts of ODA, that in terms of per capital income we are not entitled to aid. I don't like that being there in the first place, Mr Speaker.

HON P J ISOLA:

Mr Speaker, if the Hon Member will give way. If he is arguing that way then his amendment is still more dangerous because he refers to overcoming the effects of the restrictions and what he is surely arguing is that that is what he is being told now, the Gibraltar Government is being told they have overcome the effects. We don't want the overcoming, we want the supporting and sustaining while they are on.

HON J BOSSANO:

Mr Speaker, it seems in any case that what we want isn't really going to decide what is going to happen, it is what the British Government wants and what I think we are saying is, what we have confidence in the British Government doing.

HON CHIEF MINISTER:

We could be arguing about this for a long time. The only point, of course, is that the policy of support and sustain having regard to the restrictions, has got a performance, a proved performance up to 18 months ago that has met with our aspirations in that respect, that is to say, since 1969 till 1980, or early 1981, it has had the effect we wanted and we have had the help we wanted. It is in suspense now but there is a policy, or what the Spaniards would call a doctrine of help which has had its effect. It is in suspense now but it has a past performance to which we want the British Government to continue to commit themselves.

HON J BOSSANO:

I accept, Mr Speaker, and I said so earlier on, that in fact if we are so keen to express our confidence that the commitment will be kept, it suggests that there is a particular reason for wanting to do that. Because if a commitment is given and everybody is confident that that commitment is not in doubt, then the insistence on reasserting our confidence that it is still there is not as important as it obviously is. In any case, I must restate what I said at the beginning. I would not want the House to think that I agree with the analysis about the level of support and sustain of aid or call it what you will, that we have been

getting as a result of the restrictions being any significant increase on what we were getting before because I do not think the facts prove it. For the last 18 months it has been in suspense and the restrictions have been in effect for the last 18 months and we are confident that the commitment has not been broken. I would go further than that, Mr Speaker, and I have gone further than that. I have said that if we care to look back over the last 20 years and if we care to analyse the proportion of money that we spent on housing, on social services or on anything else, which we provided ourselves and which the United Kingdom provided, the proportion has been going down and the proportion was higher before the restrictions than after the restrictions, there hasn't been an increase in aid after the restrictions, there has been a diminution. My analysis, I can tell the House, I have put outside this House to people who have come from UK who have confirmed that the policy was linked before to a particular type of economic structure in Gibraltar. Let us be clear about that. We have a situation where people in Gibraltar were very badly paid and you had a very large MOD presence in Gibraltar where the UK departments were effectively providing a hidden subsidy to the low wages for people who resided in Gibraltar by having heavily subsidised houses built with Government money from UK. We charged that equation to our benefit because in fact the Trade Union Movement raised the wages to the UK level and the Gibraltar Government said: "the aid is still the aid and we still expect the same level of aid." The dramatic improvement in the standard of living has been because to the extent that low wages were compensated for by aid before, when you put the wages right and you keep the aid at the same level the total package is bigger. And it might have made a lot of sense at that time because if you have a situation as you had going back to the 1950's, where one third of the labour force was living in Gibraltar and two thirds was living outside, it made more sense to subsidise the rent of one third than to pay higher wages to the entire labour force, of course it made sense. But the analysis Mr Speaker, is something that figures can prove over the years and I can tell the House that it has not been denied by officials from UK but now they are looking at it from a different angle. I cannot understand why it is that the sentiment that is reflected in the motion is in any way set to be insufficient in giving us an expectation of support from UK, whereas to talk about protecting Gibraltar against other major threats to its economy does give us something that this doesn't give us. Why is it that we cannot be confident they will support the economy if necessary and we cannot be confident that they will protect Gibraltar against threats to its economy. Who then will decide whether the economy is under threat, us or the UK? Who will decide to what degree it is protected? Is it going to be protected to the standard that we have got today or is it to be protected so that we don't go beyond 12% unemployment? All the same considerations apply. At the end of the day the one who pays the piper calls the tune and we all know that. I am not

happy about the original thing. If I had had the opportunity to be asked my views I would have said so before we got to the House. The only reason why I have drafted the amendment that I have drafted in the way that I have, is in an attempt to reflect my own feeling without depriving the majority in the House of the way they feel about it. I have to say, Mr Speaker, that when we are talking about commitments and we are talking about the position of the British Government, we cannot in fact ignore what is happening daily. While we are in this very House of Assembly we have a situation where on the 7th of July, the Prime Minister says in the House of Commons: "Spain cannot enter the Common Market as long as her side of the border with Gibraltar remains closed." A couple of days later, Lord Belstead says in the House of Lords "The position of the British Government is that it is inconceivable." Well, which is it because they don't mean the same thing any more than "necessary" means the same thing as "protecting the economy."

HON A J CANEPA:

He uses diplomatic language and she uses plainer and more straight forward language.

HON J BOSSANO:

Well, I prefer her language to his, that is all I can say on the subject. Perhaps, I may have a hidden ally in Mrs Thatcher because as the House well knows, I am not very comfortable with diplomatic language myself so maybe she will respond to my language which tends to be undiplomatic the same as I am responding to her. I commend the amendment to the House.

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

The Hon J Bossano:

The following Hon Members voted against:

The Hon A J Canepa
The Hon 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 H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon Dr R G Valarino

The amendment was accordingly defeated.

MR SPEAKER:

We now have the original motion before the House.

HON A J CANEPA:

Mr Speaker, as the Honourable the Chief Minister has indicated in his earlier intervention, I am proposing to move an amendment to the original motion before the House which we very much hope will meet quite a part of the way the arguments and the views put forward by the Honourable Mr Bossano. If he could see his way to voting in favour of it of course it would be so much the better. The amendment is being moved against the background of the view, as the Chief Minister explained, which is held in certain quarters in the United Kingdom, a view which is indicative of some reluctance in providing assistance to Gibraltar even on the legitimate grounds of the effects of the Spanish restrictions. I think Honourable Members are aware of the oft repeated statement in the House that we have been having difficulties with ODA where the view has been taken that the standard of living in Gibraltar is sufficiently high and that we should therefore not be entitled to the same degree of aid as we have had in the past or which other territories in the Third World, in particular, require. If we had accepted the amendment moved by the Honourable Mr Bossano, I think the danger was evident that their arguments could have been strengthened if we were to suggest that Britain has in any way a permanent or an open-ended commitment to maintain the people of Gibraltar at our present standard of living. What we are proposing to do with the amendment, Mr Speaker, is to point in the direction that aid received from Britain should help to correct the distortions in the economy which have been brought about by the restrictions, distortions which will continue even after the lifting of restrictions so the view that we take and I think it is shared by the official Opposition, is that economic aid may well be necessary even after the restrictions are removed, for as long as the more serious effects continue to be felt. Whilst not moving in a direction of an open-ended commitment, whilst not committing Her Majesty's Government to that, we hope to go part of the way along that road and the

amendment that I am moving which refers to major threats to the economy not only includes the question of the restrictions or the lifting of restrictions, but it also covers the other major threat to the economy which is posed by an action of Her Majesty's Government on doing, namely, her intention to close Her Majesty's Dockyard next year. There is a commitment on the part of Her Majesty's Government to support and sustain an alternative strategy for our economy. Her Majesty's Government have already provided funds for studies on diversification of the economy, though the results are disappointing, and I think we should also in our motion, be underlying the commitment that we consider Her Majesty's Government has if she cannot be dissuaded from her intention to close the Dockyard, to give us assistance in another form, be it in a commercialisation of the Dockyard or something else that will maintain, certainly, existing levels of employment, existing levels of income as far as that is possible and therefore the existing standards of living that we enjoy. Sir, the amendment seeks to delete the word "and" at the end of paragraph (3) of the motion and add it at the end of paragraph (4) in order that we can then add a new paragraph (5) as follows: "(5) is confident, further, that Her Majesty's Government will also protect Gibraltar against other major threats to its economy." and I so propose.

Mr Speaker then proposed the question in the terms of the Hon A J Canepa's amendment.

HON P J ISOLA:

We support that amendment because that is what, basically, is required, protection against major threats, and we all know the major threat that exists today from which we require protection. I think there is a lot of merit in making a distinction between the support and sustain in the substance of the restrictions from Spain which obviously are likely to go on for some time, and the general obligations of London to protect Gibraltar. I think this amendment meets that and I think it meets, too, possibly the valid point made by the Honourable Mr Bossano at the beginning of his address a day ago, where he wanted to go further that was in the motion. I don't object to that but I think the way to put it is the way that it has now been moved and we would certainly go along with that amendment, Mr Speaker, and we would hope that it would meet Mr Bossano's fears on the matter.

MR SPEAKER:

Do you want to say anything?

HON J BOSSANO:

Yes, Mr Speaker. It doesn't meet my point, I will not be supporting the amendment. I am sorry, in fact, that in moving the amendment the opportunity was not taken to separate paragraph (4) which, as I said earlier when I was moving my own amendment, contains, in my judgement, two separate and distinct matters. Our appreciation for Her Majesty's Government upholding the right of the people of Gibraltar to determine their future, to my view, is not necessarily linked to the question of support and sustain for as long as the restrictions continue. They are two separate areas and I will have to go against this particular paragraph which unfortunately, as I said, contains the first part to which I subscribe entirely and where I feel that the present statements by Her Majesty's Government have been the best that the people of Gibraltar have ever had in highlighting their rights of self-determination and in protecting that right. Although I will not be voting for paragraph (4) I regret that in doing so I am not able to vote for that part. Clearly, had I been able to accept this I would have said so earlier and save the House a lot of time.

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 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 voted against:

The Hon J Bossano

The following Hon Member was absent from the Chamber:

The Hon I Abecasis

The amendment was accordingly carried.

MR SPEAKER:

We now have the original motion, as amended, before the House.

HON MAJOR R J PELIZA:

Mr Speaker, I would like to say a few words on the motion as amended, I am very sorry and I hope that by the end of the debate on this motion my Honourable Friend Mr Bossano will be able to join all the other members in supporting this motion. I say so because I think his contribution has been very important and I, personally, would not have been able to go along with the motion if this last amendment had not been introduced because without it I thought the motion was lame in that here we were saying that we agree with the support and sustenance of Gibraltar during the restrictions but we say nothing at all of what the situation would be if after the restrictions are lifted we found ourselves in economic difficulties which is possibly very likely. If we recall, when Lord Hughes came here with the Gibraltar Group, this is one of the points he himself made, that he was very surprised that the undertaking was only to support and sustain Gibraltar during the time of the restrictions and I know that he went back and he tried to do his best to change that position. I don't think in fact, that this has been achieved yet. This is why I say that once we move into this area, particularly in the economic climate of the United Kingdom today, I think we have to be somewhat specific about it and not give the impression that all we want is as soon as we find that our standard of living is coming down, perhaps for reasons to do with ourselves and not due to outside pressure, or for reasons to do with the world, generally, and not to do with anything specific that attacks Gibraltar as such, that we may expect Her Majesty's Government to come along and give us that extra money to allow us to keep our standard of living. I do not believe that under the present climate that could be attained and although we could talk about that academically, I doubt very much whether in practice that would be forthcoming. This is why I think the amendment is appropriate in that it says very distinctly "against major threats to its economy."

HON J. BOSSANO:

Mr Speaker, the Honourable Member has said that we cannot expect if it is something that we produce ourselves or it is something due to the world climate, we cannot expect the British Government to come to our aid. Well, it doesn't say here where the major threat has got to come from. Suppose there is a banking crisis and there is a lot of bankruptcies in Gibraltar, that would be a major threat to our economy.

Would we expect the British Government to protect Gibraltar or not?

HON MAJOR R J PELIZA:

I think that in the sense that they would protect Gibraltar, yes. I specifically said just to hold our standard of living. Because if the standard of living is going down for the same reason, say, the cost of oil, world oil, were to go so exceedingly high that it would effect the economy of the world, generally, in fact, we are going through that sort of depression today and that is one of the reasons why obviously, the standard of living in Britain is going down, and I doubt very much whether we could make a case that we want a higher standard of living that they have but that is effected by this world depression which just doesn't only effect Gibraltar, it is affecting the whole world and particularly, I think, if it affects Britain, and I don't think that if we just say, as necessary, as we said before and I think this is what my Honourable friend was trying to say in the "as necessary" directed at support and sustain is a narrow one. It has to do with an undertaking that they have given us and it is connected with the restrictions but when you say "as necessary" just like that, it is so wide that it implies anything and in my view because you make it so wide it loses strength and I think it would lose support in the United Kingdom who at the end of the day are the people that we have got to convince. We can be very convinced here but if we cannot convince the people who are supposed to give us the aid or the people who will put the pressure on Her Majesty's Government to give us the aid who are the Members of Parliament then, really, I don't think we are achieving very much. Mr Speaker, I will support the amendment and I am also very glad that Mr Bossano brought up the point because I certainly could not have gone with the motion as it was before as a matter of conscience. I do hope he give a bit more thought at the end of the day. We all have to make compromises, we cannot all have it our way. He himself knows perfectly well when he talks about his party's directives that he comes here and votes perhaps, for something that he is not in agreement with but because the majority in the party said so he comes along accepts the discipline and votes. I think very rightly unless of course it is a matter so serious, so fundamental, that of course he couldn't be able to do so. I don't think that the changes that there are in this motion are so serious and so fundamental that he couldn't go with it. I hope that at the end of the day he will be able, as we have always done, find a way of saying: "Fair enough, I know it is not exactly what I wished for, it is not my loaf of bread but it is at least three quarters of it and I want to ensure that Gibraltar gets those three quarters. If I had my motion perhaps they would get one but with this other motion perhaps they will get three quarters". I don't think, in fact, it is going to be so easy as all that and I would like to go a bit more

into the motion because if the motion has been brought into this House it is because we are going through a very serious situation otherwise the motion would never have been brought here. This motion has been brought to the House because the Lisbon Agreement is either dead or dying and some people are worried whether in fact it will suddenly come back to life, so it is one of those situations where we don't know whether it is better dead or alive and that is a problem, a very serious problem. The situation as we had before in that most people wanted the frontier not to open, even some of those who supported the Lisbon Agreement didn't want the frontier to open but didn't want to say that we were the people who were stopping the frontier from opening. In a way, from the point of view of the United Kingdom, it has worked well because it isn't us who have stopped the frontier from opening but the Spaniards themselves. This is very important because in my view one of the big difficulties that the Government and the opposition have over the Lisbon Agreement is that there is quite a large section of opinion in the United Kingdom, particularly amongst the intellectuals, the academics and the media, who believe that one has to be reasonable and even today there are lots of people in the United Kingdom who believe that it is us who are not being reasonable and, therefore, from the point of view of public relations, it is a very, very difficult exercise to carry out and garry with you public opinion in the United Kingdom. This was particularly so before the Falklands Disaster because one can sense that coming under the Foreign Office, we are under a Ministry with divided loyalties. The fact is, Mr Speaker, that it was after the Falkland Islands that I think the attention of the British public was more directed towards our situation and we got much greater understanding of the difficulties we were going through and what we could expect if we gave in. Also, I think, the fact that on three occasions the Spanish Government did not abide by their undertaking, have put us in a very strong position. So the Falkland Islands and the fact that the Spanish Government has not abided by their undertaking has given us tremendous strength. Luckily, we find now that the Prime Minister herself is much more outspoken, Mr Speaker, than the Ministry that is supposed to look after us. This motion has been brought to this House because of the obvious difficulties that we have been through and the possible difficulties that are facing us. Economic through the closure of the Dockyard, politically, because we do not know what is going to be the reaction from now onwards. So, Mr Speaker, my belief is that this motion is sending a signal to the Foreign Office and Her Majesty's Government and, I hope, to Parliament. But that signal, Mr Speaker, is a signal of words and I believe that something more than this should be done connected with this motion. I think considerable attention can be brought, because it has been stated now very categorically in the last Press Release that I have got, that the Dockyard is going to close, that the little extra bit that we have said here about major threats, that is a major threat that you might say has nothing to do with the restrictions since this has not been

brought about by the restrictions, this has been brought about by a change of defence policy of Her Majesty's Government and therefore this has got to be brought to their attention, it is a very serious situation for Gibraltar and this of course doesn't come under sustain and support or the restrictions because this has nothing to do with the restrictions. Lord Belstead will be coming here very soon. I am not sure that in some form or other the people of Gibraltar should not demonstrate to him how important this is. There should be a mass demonstration of welcome to him to tell him what the situation is because it is vital and important that the people of Britain know exactly what is happening because we shall get their support if they see that through the closure of the Dockyard we are going to have serious repercussions, serious political repercussions in Gibraltar. I commend both to the Chief Minister and the Leader of the Opposition and the Member of the other party that they should get together because I know there will be talks amongst the officials and perhaps amongst the Ministers and members of the House and perhaps the Trade Unions and so on but nothing is more effective than a public expression of the seriousness of the situation. We had, if you remember, when first we had the question of British Citizenship, how a very orderly demonstration to Lord Thompson gave us the right to enter the United Kingdom, something like that might be very effective. I support this motion, the motion is good, but I think the motion needs backing, needs public backing and I hope the lead will come.

MR SPEAKER:

Is there any other contributor to the debate?

HON A T LODGE:

Mr Speaker, I am always slightly amused every time I hear anyone referring to the Lisbon Agreement. They keep referring to it as if it were alive. Then they question where it is or whether it is sick. Well, Mr Speaker, to anyone who has eyes to see, the Lisbon Agreement is dead, it has been killed by the Spaniards and, consequently, we should, I think, in future, refer to it as the Lisbon Bereavement and it should be buried and forgotten. By this Mr Speaker, I do not mean to imply that I am convinced that there will not be other agreements, whether they be Strasbourg again, or Geneva, or Estepona, anywhere, I am convinced that at some time or another somebody will come up with another venue, with another agreement or another process and again we will have to be very, very wary. Mr Speaker, the motion today, I think spells out what everybody in Gibraltar feels and what everybody in Gibraltar knew but what everybody in Gibraltar would like to hear said out loud nonetheless and repeated as often as is necessary. I think the motion will be very well received, just as well received as the pronouncement of

Mrs Thatcher to the Scandanavian Television when she said quite categorically that the question of sovereignty was not up for discussion with Spain. I know that subsequently the Foreign and Commonwealth Office went to great lengths and great pains to try and gloss over this but the thing was said nonetheless and, possibly, we should not lose sight of the fact that Great Britain is always a master of diplomatic parlance, and she will have her say one way or the other. Spain, on the other hand, can only understand plain language and I think the language this time has been plain enough. I sincerely hope, therefore Mr Speaker, that both our friends and our enemies will take note of the motion before the House today, with particular reference to the part that says that the question of sovereignty is only for negotiation with Britain, not with Spain. Mr Speaker, in Britain today, as in 1939, there are a number of well meaning people, their hearts on the right place, I am sure, very well meaning but misguided. They believe, quite sincerely, that this delicate plant, this frail flower of democracy in Spain is alive and needs to be nourished and fostered. Well Mr Speaker, I believe in instant coffee, I believe in instant tea but I do not believe in instant democracy and this is what Spain seems to have acquired and far from being a delicate flower I think it is a plastic facsimile of the original as we were able to witness in the reporting of the Falklands crisis. Mr Speaker, perhaps this is an opportune moment to wind up and sit down but before I do, I would like to say that I think this is equally an opportune moment to begin to think of getting our House in order and getting on with the job of making Gibraltar viable both economically and politically. It is not that we want to turn our backs on Spain, obviously Spain has turned their backs on us, so we should look to Great Britain, forget Spain, until such time as she is prepared to be reasonable and to behave in a 20th century manner in a 20th century world. That you, Mr Speaker.

HON CHIEF MINISTER:

Mr Speaker, I have the feeling that there are members who would like to leave the House early today for some reason or other so I don't propose to take the time of the House in repeating oft repeated arguments which were raised, I think in some detail, in my opening statement on the motion. It is regrettable that our different approaches do not make it possible for the motion to have the full support of the House. We know that the spirit is behind the feeling of the motion, that part of it which the Honourable Mr Bossano doesn't like, it is different from the one that he does like but there you are this is perhaps, the essence of democracy that we can agree to differ though we know that the sentiments behind us all in this respect are the same. Had this been normal circumstances I would have gone through some of the statements made in the course of the debate and argued one or two points but I think that the matter is well trodden and that all I do is to commend the motion to the House.

The motion before the House now reads as follows:

"That this House:

- (1) deplores the policy of restrictive and repressive measures applied against the people of Gibraltar by the Spanish Government in its attempts to achieve a transfer of sovereignty over Gibraltar;
- (2) affirms the determination of the people of Gibraltar to continue resisting the said policy of the Spanish Government and not to yield to the said measures;
- (3) reiterates its view that sovereignty is not a matter for negotiation with Spain;
- (4) expresses its appreciation to Her Majesty's Government for upholding the right of the people of Gibraltar to determine their future and its confidence in Her Majesty's Government's commitment to support and sustain the people of Gibraltar for so long as the restrictions make this necessary; and
- (5) is confident, further, that HMG will also protect Gibraltar against other major threats to its economy."

Mr Speaker then put the question and on a vote being taken on paragraphs (1), (2) and (3) the question was resolved in the affirmative.

On a vote being taken on paragraphs (4) and (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 A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammitt
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 Hon Chief Minister's motion, as amended, was accordingly passed.

SUSPENSION OF STANDING ORDERS

HON ATTORNEY GENERAL:

Sir, I have the honour to move the suspension of Standing Order Nos. 29 and 30 in respect of the Landlord and Tenant (Miscellaneous Provisions) (Amendment) Ordinance 1982.

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

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 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 I Abecasis

Standing Orders Nos 29 and 30 were accordingly suspended.

HON P J ISOLA:

Mr Speaker, we object to this because we have had a number of Bills with lots of amendments, the Honourable Mr Bossano has been out all morning so he has been saved the long haul on the Banking Ordinance with a tremendous number of amendments which we have not had any opportunity to consider and we don't think that we are performing our duties as House of Assembly elected representatives of the people, being given almost no notice on a lot of things. As far as the Banking Bill is

concerned we realise the urgency of it and we went along with it. With this Bill, Mr Speaker, we haven't even had time to consider it, we haven't had time to consider its effects or what it is seeking to do and we are being asked to suspend Standing Orders in order to pass it. Most of the Bills before this House were received by us, Mr Speaker, three days before the House sat, most of them three working days before the House sat. The Banking Bill had more amendments than there were Clauses in the Bill. I appreciate the problem, I appreciate this, but the fact is that we only had two or three days and now we get a Bill today and are asked to proceed on it and suspend Standing Orders. As a matter of policy, Standing Orders ought to be suspended by unanimous agreement whenever possible. I know the majority rules but I hope the Government appreciates that they are dispensing with what is the agreed Standing Orders of the House in order to do something in respect of which the Standing Orders require them to give all Members of the House seven days notice at least. We have not been given notice, this Bill wasn't even on the agenda for the House, Mr Speaker. We are not prepared to be rubber stamps.

HON CHIEF MINISTER:

Mr Speaker, I must say a few words on this. I appreciate the point of view of the Leader of the Opposition and we have tried to better the performance of the circulation of Bills, which unfortunately, has not been very good in the past. This Bill, except for one or two areas which have been introduced and which when the Leader of the Opposition has told me that he takes great exception I told him that we were not particularly interested in pursuing, the only interest that the Government has, let me put it this way, the only positive interest that the Government has at this stage in this Bill is to give an opportunity to private landlords to have an equal amount of increase in the rents that they collect in respect of controlled premises as the Government has imposed on those of their tenants. The rest of the provisions in the Bill which were put in regarding the question of tenancy under the Crown and so on is one which we will pursue separately. We are not going to steamroll that. If that is objectionable then we will not proceed with that. What we think is since we missed it last time, that last time we increased rents we did not pass it, it is extraordinary that with all this Action Group and so on that the Property Owners action group have never come forward and yet we have to think ourselves as in fact it would not be fair not to allow particularly having regard to the cost of repairs and so on, the very modest increase and it will mean in rent restricted premises to increase the rent by 20%. That is the only part of the Bill which we are interested in and for that I think that it cannot be said that we are abusing the majority rule in order to get that through because if we don't do that now they will lose 4 or 5 months more. They have already lost, as compared with the Government, from July to

September and if we leave it until after the recess they will not be able to give notice and this will delay it till about November or December. It is in respect of that and that only that we are trying to get the Bill through. I hope that whether the Honourable Leader of the Opposition agrees or not with this, I am trying to explain that we are not trying to go through a controversial Bill. I think that the controversial part of the Bill will be deleted in Committee and we are only concerned in giving a reasonable fair deal to the Landlords of rent-restricted premises as early as possible after the budget.

HON P J ISOLA:

Mr Speaker, one of the main problems here, too, is that there is a Select Committee of the House sitting on the Landlord and Tenant Ordinance and we did at the time of the budget, object. We did make remarks about the increases in rent then because of the sitting of the Landlord and Tenant Select Committee and it would seem to me that any loss that private landlords may incur, if you can call it a loss because they have made representations to the Select Committee and I would have thought that the proper forum for any increases in rent while the Select Committee is sitting would be the Select Committee on recommendation. I know my Honourable Friend on the left is, to put it mildly, upset that none of this has come to the Select Committee. Taking away the first part meets part of the objection, yes, this is true, but I cannot without consulting with my colleagues, give an answer on that either, Mr Speaker, and if the Honourable and Learned Chief Minister proposes to adjourn the House...

HON CHIEF MINISTER:

I do not propose to adjourn the House now, no, I propose to carry on with the Bill.

HON P J ISOLA:

If he does then our objection stands. We will say what we will have to say about it in the debate.

HON CHIEF MINISTER:

I know there is an anxiety to bring these proceedings to an end but I am not going to be driven one way by other means. There is one point that I would like to make. The fact that there is a Select Committee on rents, generally, is in no way affected. This is only a normal thing, that can be absorbed in the final report. In any case, Select Committees tend to take, naturally, a long time, and time cannot stand

still while Select Committees deliberate, there are things that have to be done.

HON P J ISOLA:

Mr Speaker, there are a number of areas in which things are standing still while the Select Committee is sitting. I would consult with my colleagues but our present attitude is, no.

HON J BOSSANO:

I supported the suspension of Standing Orders because, in fact, I welcome an opportunity to discuss it and I am prepared to vote one way or the other in due course. I find it quite extraordinary that the Government should first present a Bill with no notice, ask the House to suspend Standing Orders and immediately announce that they are not proceeding with the first part of the Bill which I am prepared to support and proceeding with rent increases which, for example, I am not prepared to support.

MR SPEAKER:

Well, let us see what happens.

BILLS

FIRST AND SECOND READINGS

THE LANDLORD AND TENANT (MISCELLANEOUS PROVISIONS)

(AMENDMENT) ORDINANCE 1982

HON ATTORNEY GENERAL:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Landlord and Tenant (Miscellaneous Provisions) Ordinance (Chapter 83) be read a first time.

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

The Hon J Bossano
The Hon A J Canaga
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammitt
The Hon D Hull
The Hon R J Wallace

The following Hon 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 I Abecasis

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, the Bill as drafted contains two proposals. As the Honourable and Learned Chief Minister has mentioned the Government does not intend to proceed on the first proposal and I will accordingly be moving in Committee that that Clause be deleted. Sir, I will confine my remarks to the second of the proposals contained in the Bill which is to allow a rent increase of 20% with effect from 1st September, 1982, in private dwelling houses. That is the effect of the Bill. There is, of course, in force at the moment an ordinance which freezes the giving of notices until the 30th November 1982. This Bill, therefore, provides that the measure being proposed in the Bill will not be limited by that freeze. In other words, the freeze will not apply to this particular increase. Because the 1st September 1982 is now approximately six weeks away, the Bill contains provision that if a notice is given after the Bill is passed but before the 1st September, then as long as it is at least one month's notice, that will be sufficient notice for an increase provided always, however, that the increase cannot take effect before the 1st September 1982. 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 A T LODDO:

Mr Speaker, it is not my intention to query the need for this Bill or the sincerity with which it has been brought or the validity of the points that have been raised. But,

Mr Speaker, I am sitting on the Select Committee of this House going into the Landlord and Tenant Ordinance and as far as I am concerned the only interference with the work of the Select Committee which I am prepared to countenance is further extensions to the moratorium until the deliberations of that Committee have been completed and our recommendations submitted to this House. If there is any concern about the fact that the Government is putting up their rents whereas the private landlord has not been able to do so, perhaps, Mr Speaker, it would be better if the Government did not put up its rents until the deliberations are finished. Mr Speaker, in the months that I have been sitting in the Select Committee, I have had no intimation whatsoever of the contents of the Bill. The last meeting of the Select Committee was two weeks ago and still I had no intimation of what was being brought before the House. I feel that if my presence in the Select Committee is merely going to be on a rubber stamp capacity then, Mr Speaker, I feel that I must seriously reconsider my position as a member of that Select Committee. I feel that this Bill is already impinging on the work of the Select Committee, with all due respect. That is all I have to say.

HON A J CANEPA:

I do not know whether a Committee which is appointed by the House, whether it can be said that the House, generally, is interfering with the work of that Committee if the House passes a legislative measure. I am not sure that that argument can be sustained. I think what I want to say in support of this increase of 20% in rent is that last year rents of Government dwellings were increased by 20%, including Government pre-war housing and through an oversight, because the measure is usually introduced concurrently with legislation on the budget, the necessary action to increase rents also by 20% for pre-war private sector housing was not put in hand. On this occasion the same thing happened. We were caught up in working intensively on the budget till almost the last moment, that no action was taken to draft a Bill and introduce it in the House during the Budget Session giving effect to an increase of 20% in the rents of pre-war private sector accommodation. Therefore, unless we were to do this it would mean that whilst the rents of Government dwellings by the end of this month, in fact, with effect from the first week in July, will have gone up by 44%, including pre-war Government housing, the private sector landlords would not have had the benefit of any increase at all. I am a tenant of a private sector landlord and I consider it unfair that my rent should not be increased at all for two years having regard to the loss of value of money. My landlord is currently spending quite a few thousand pounds in giving the property a facelift and in maintenance and I think that the landlord should have a reasonable return for his money. I think he should have a reasonable return and I don't think that it is acceptable that more time should go

by without what I would regard as an interim increase. The way that I view this 20% increase is that it is an interim increase and I don't think that it should be at all prejudicial to what the Select Committee may come up with. The oversight was only realised recently and therefore it was only at our last meeting of Council of Ministers that we in fact took the decision to increase rents by 20%. At that meeting the Honourable Mr Featherstone was not present because he was away from Gibraltar and as Chairman of the Select Committee he would have been in the know and he might then have exercised what perhaps could be regarded as the common courtesy of informing Honourable Members of the Opposition who served on the Select Committee that the Government intended to proceed with this measure. I hope that Honourable Members will accept the explanation. I hope that they will see the need for what is really nothing more than an interim increase.

HON P J ISOLA:

Mr Speaker, may I say that I agree entirely with my Honourable friend, Mr Loddo, in everything he has said. This House has set up a Select Committee to consider the Landlord and Tenant (Miscellaneous Provisions) Ordinance. This House has set up that Committee to look at not just business premises, private dwellings, but also furnished houses and everything else, and this House has declared a moratorium on rents, all rents. Contrary to what this House agreed, the Government at the time of the budget increased rents of Government dwellings and this is the root of the problem now before the House which is that the Government having done it, the landlords come to the Government and say: "Why shouldn't we do it?" Government says: "Yes, it is true, we should do it." But of course, the Government shouldn't have done it in the first place. As a matter of courtesy the matter should have gone to the Select Committee and the Select Committee could have said: "Alright, go on with the increases and also for private landlords." That is what should have happened and that is why I think my Honourable Friend Mr Loddo is justifiably angry at what has happened and I hope he will consider his position and I am concerned about that and I think the House ought to be concerned about that. Secondly, the moratorium didn't just affect, Mr Speaker, private dwellings and, therefore, landlords of business premises who may be getting very little rent could very easily come to the Government and say "Why not raise ours?" Landlords who have furnished lets could also say: "Give us a proportionate increase." I agree that in furnished dwellings there is an area where there are very high rents but there is also an area where people are being quite reasonable. I know a lot of cases of reasonable rents. I think that rather than just come along and ask this House to increase the rents by 20%, Government ought to have taken it to the Select Committee and the Select Committee might have said "Well we are thinking of this, or that, or the

other, leave it for the time being or whatever." I agree with the principle enunciated by my Honourable Friend, Mr Loddo, and we will vote against this Bill.

HON M K FEATHERSTONE:

Mr Speaker, as Chairman of the Select Committee I do not feel upset that this legislation has come. It was a known fact to all Members of the House that at Budget time the Government did say that they would be bringing a Bill to affect the private landlord within the next session, or the next meeting of the House, when Government put up its own housing at the time. I regret that because I was away I didn't have the opportunity to tell the Members of the Select Committee that this was coming but I don't really think that this what I might call modest increase is going to really upset the workings of the Select Committee and I feel that we did give a promise to the private landlords at Budget time and we should keep to our promise.

HON J BOSSANO:

Mr Speaker, I want to speak in favour of the part of the Ordinance that the Attorney General wants to take away because as I have already indicated, I support that and I think that for the Government to bring a Bill to the House to say that they realise the need for it too late or because of pressure or they were not able to give sufficient notice and then, having just presented it, to say that they are then going to amend their own Bill by taking away, well, they shouldn't have put it there in the first place. I have not seen a reaction from anybody so far to justify the decision of the Government not to proceed with this. The Government presumably, intended to pass it otherwise why put it there in the first place. And then they said that if it was going to be very controversial and if there was going to be a lot of opposition, then they wouldn't go ahead with it but as I understand the opposition in principle by the Leader of the Opposition to the lack of notice concerns the machinery of the working of the House not necessarily the contents of the Bill. Secondly, the opposition from Mr Loddo concerns the fact that as a member of the Select Committee he feels that matters which are affecting what is being studied by the Select Committee should be brought to the notice of the Select Committee before a decision is taken and I can see the logic of that. Suppose the Select Committee were to come up with a recommendation which runs contrary to something that is being amended now, then what is the House supposed to do? I can see that there is a logic about a possible conflict of interests between the work of the Select Committee and going ahead and carrying out amendments to the Landlord and Tenant Ordinance but, of course, I did not support the setting up of the Select Committee, and, therefore, I am not concerned

with its survival. It seems to me, Mr Speaker, that everything that I don't support dies, from the Lisbon Agreement to the Strasbourg process to the Select Committee.

HON M K FEATHERSTONE:

May I tell the Honourable Member that the Select Committee is not dead by any means.

HON P J ISOLA:

We haven't heard anything about the Matrimonial Causes Select Committee for a very long time.

HON J BOSSANO:

It is very healthy and very robust and I think it is going to give birth to a new piece of legislation before very long. Mr Speaker, I will be voting against the part of the Bill that the Government wants to retain and I would like before the part that it wants to remove is removed, to express my support for it in the general principles of the Bill and I will oppose their amendment to remove their own Clause when the time comes.

MR SPEAKER:

You will be given a chance in Committee when the motion is put.

MR BOSSANO:

I will be opposing it at the Committee Stage. It seems to me, on the general principles of the Bill, because to the extent that we are talking about general principles, it seems there are two principles here. The principle that I am supporting is this one which in fact seeks to ensure that a tenant has got protection against his landlord even if in fact the property that the landlord is renting to the tenant was in the first instance obtained from the Government and may be paying ground rent to the Government. I would say, and I tend to look at legislation as a layman because I am not a lawyer and I have had no legal training, I would say that most lay people would think that their landlord was not in fact the person that was collecting ground rent because it was crown property but the person who was running that property as a business and renting it to different people. I think the expectation would be that irrespective of who the ground belongs to, the person who is responsible for letting that property should be doing so under the same restrictions as everybody else. I cannot see why there should be a distinction

because there subsists any material interest in the Crown which is what this thing is intending to remove and I will put to the House, in fact, that this is not a controversial piece of legislation, I would put to the House that the spirit of the Ordinance must have always been to do that and that if in fact it has been an omission in the law, it is time the omission was put right. I would go even further, I have difficulty in seeing why the Government itself should not be willing to accept itself restrictions on its own behaviour as a landlord which it requires other landlords to accept. I think the credibility of the Government as a landlord would be enhanced if it said: "I expect to be subjected to the same limitations as other landlords are and I give my tenants the same right as I demand of other landlords for their tenants." To the extent that I disagree with this, I only disagree with the second part which seeks to make an exception where the Crown is the direct landlord. I know that it is a more controversial thing in the sense that that is a departure from what has existed up till now but nevertheless I think it is a matter that is worth considering. I remember, Mr Speaker, from my days in the Public Health Department and I am sure Mr Loddo will remember as well, that landlords used to feel very incensed that the Health Department was able to hound them, about repairs when perhaps next door to that particular property there might be another property where the Government was the owner and the landlord and a tenant was complaining about exactly the same thing and all that could be done in his case was to write memos which got lost in the Commissioner of Lands and Works Department. This was a constant source of complaint and landlords used to say that Government had a dual standard, they demanded a certain level of conduct from private landlords which they were not prepared to apply to themselves. I think the Government should give serious consideration to this and perhaps it is a matter, if the Select Committee survives, that the Select Committee should give consideration to. But, certainly, the principle in the first part of this Clause 5, which is that the relationship between the landlord and tenant is concerned with the person collecting the rent and running the property and not with whoever retains a subsidiary interest in the ground whether that is the crown or anybody else, I would say is how most ordinary people would understand it. And if the law is going to be amended to reflect what ordinary people understand from it rather than what experts find technical loopholes in, then I go along with that sort of move.

HON CHIEF MINISTER:

Mr Speaker, in respect of the increase it cannot be considered as any affront to the Select Committee because in fact we are doing what we should have done last year. It is a very modest increase and we are not dealing with cases of people who may or not have put high rents in respect of furnished premises and so on, we are dealing with very modest rents of

pre-war housing where 20% exclusive of the rates which is not included in it, will be a very small sum and it is only fair that that should be done to cover up the increase in repairs, particularly with a bigger enforcement which is attempted in respect of minimum standards and so on. With regard to the first part, the view of the Government is as is reflected here, but there are two reasons why I have asked the Attorney General to withdraw this after having spoken briefly to the Leader of the Opposition outside. One reason is because in respect of one case there is a judgement pending in the Supreme Court arising out of a decision in the Court of First Instance where this point was taken and then of course there is the question of the Select Committee. This is a matter on which with the greatest respect to the Select Committee, we want to see their views, the Government may have their own views and may or may not accept the Select Committee's view. Select Committees haven't got any aura about them, they are derivations of the House and they can carry on studying the matter and nothing that the House does is in any way an aspersion on the Select Committee so long as it doesn't go contrary to the general trend. I am quite sure that the Select Committee will have to deal with the question of the very low rents in respect of some premises, rents which were restricted as far back as 1936, and which whatever increases there may have been they have been increases of such small sums that the increases have not gone anywhere near the devaluation of money from the time those rents were increased and the increase in the cost of labour and materials to carry out repairs. There are three reasons why we should not proceed with the first part. One is because it is a matter on which the Select Committee should have a view, two, because it is pending and, three, because it is controversial and the Bill has been given short notice, I do not want to pursue that and I do not want to say we are going to have it because we have a majority. This is not the way we look at this matter, and I would like to assure the Honourable Mr Loddo that this is not the way the Government looks at these matters even though sometimes we may disagree. I accept, and I accept fully, the point, as I said at the beginning, made by the Leader of the Opposition that there has been short time to look at it. That is why I thought to make it as uncontroversial as possible in the light of the fact that we have had to suspend Standing Orders to deal with this matter prior to the recess; that we were limiting the charge to what is considered to be a fair deal to the landlord of pre-war dwellings which the Government itself has done. It is all very well to say there should have been no increase in rents in the budget but then the amount of money or subsidy from the Consolidated Fund into the housing Account would have been much bigger and then of course the whole thing has the effect that we have been talking about in the economy. It is all very well to say forget about it until we are finished. We cannot do that and Government just cannot be run that way. I assure Members that the idea is only to make up if only because we might have said: "We forgot last time, we put it up 20% plus 20% this year is 44%, so we are going to have 44%. That might

have been much more controversial. We are only making up one year later what we should have done last year, that is all.

MR SPEAKER:

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

HON ATTORNEY GENERAL:

Sir, I think there is very little that I can add. The Government has already made its position quite clear on the relationship of these measures to the work of the Select Committee and of the reasons why it is not considered appropriate at this time to proceed with the first clause. May I say that the Honourable Mr Bossano's understanding is the same as mine on the original intention, on the original spirit of the Ordinance, but this point has come up and I can actually see no real harm, anyway, in awaiting the outcome of this appeal and deciding at that point of time what to do, if necessary. But that is something we can look at as it arises. There is nothing more I wish to add myself and I commend the Bill to the House.

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

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

The following Hon Members voted against:

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

The following Hon Member was absent from the Chamber:

The Hon I Abecasis

The Bill was read a second time.

The House recessed at 5.25 pm

The House resumed at 5.40 pm

The Hon Attorney General proposed that the Committee Stage and Third Reading of the Bill be taken at a later stage in the meeting and if necessary on that same day.

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

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 Hon R J Wallace

The following Members voted against:

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

The following Hon Member was absent from the Chamber:

The Hon I Abecasis

The Hon the Attorney General said that the Committee Stage and Third Reading of this Bill would be taken at a subsequent meeting.

THIRD READING

HON ATTORNEY GENERAL:

Sir, I have the honour to report that the Gibraltar Museum and Antiquities Bill 1982; the Markets, Street Traders and Pedlars (Amendment) Bill, 1982; the Administration of Justice Bill, 1982; the Banking Bill 1982; the Port (Amendment) Bill, 1982; the Trade Licencing (Amendment) Bill 1982; the Traffic (Amendment) Bill 1982; the Interpretation and General Clauses (Amendment) Bill 1982; the Petroleum (Southern Rhodesia) (Repeal) Bill 1982; and the Supplementary Appropriation (1982/83) Bill 1982, have been considered in committee and agreed to, in the case of the Gibraltar Museum and Antiquities Bill 1982,

the Administration of Justice Bill 1982, the Banking Bill 1982 with amendments, and in the other cases without amendment and I now move that they may now be read a third time and passed.

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

HON CHIEF MINISTER:

I now move that the House do adjourn sine die.

MR SPEAKER:

I now propose the question which is that this House do now adjourn sine die and in so doing I would remind the House that I have received two notices of matters to be raised on the adjournment. The first notice was given by the Honourable and Gallant Major Feliza and I now call on him to address us on tourism development in a closed frontier situation. The debate is restricted to 40 minutes and it is now exactly 5.43 pm.

HON MAJOR R J FELIZA:

Mr Speaker, I know that in this hot weather it might cause considerable inconvenience to the House that I should try and extend the duration of what is a long and hot meeting but I feel, Mr Speaker, that tourism is too important a matter and is going at this very stage through what one might call a crisis, not to raise the matter and express the view from the Opposition as to the situation of tourism today and also hoping to urge the Government to do something with urgency to overcome the difficulties that are facing the tourist trade in Gibraltar and, consequently, affecting very seriously the economy of Gibraltar. Not to have done so now would have meant having to wait till the next meeting of the House which would be round about October, and in any case I do hope that by raising the matter now something, even if very little, might be able to be done during the few weeks ahead of the summer season which I think are perhaps the most important ones in this particular industry. Mr Speaker, I think that I would like to go briefly, because the time available is not all that much, as briefly as possible, in order to allow the Minister to be able to reply. I would like to go through the Tourist Survey Report which I think is obviously something that one has to look at seriously. Then I think we ought to look at the number of tour operators that there are and what are the chances of more coming or even those who are there disappearing. Also, to find out what is the policy of the Government with regard to hotels some of which are very seriously affected and also very worried about what the future

holds for them. Lastly, I think, matters of extreme urgency to do with the adverse effect that the non-opening of the frontier has had on a number of traders in Gibraltar who are overstocked and I think some coordinated effort should be made to produce money out of stocks because that in the end is going to be not only in the interest of the traders themselves but literally for Gibraltar as a whole. If we start with the Tourist Survey I think one sees that in 1981 and perhaps the Minister if he has figures could say what the trend is since then, because obviously I haven't got that but he might be able to say later. The income derived was \$10.9m, and it goes on to say that this represents in actual real terms a decrease of 5% which I think is serious because it is not expanding it is contracting and that is a serious situation to be in particularly at a time when we are going to depend so much on it. Then if we look at the sectors which draw in this money, we find that hotels are by far the most important factor in that they bring in about \$6m, followed by visitors in supplementary accommodation which is perhaps something we must not forget, and, thirdly, visitors from yachts which again, unfortunately, as I understood from the last report, is slightly lower than it was the previous year in numbers, I am not saying in money. I don't know whether that has anything to do with what my Friend the Leader of the Opposition raised the other day. If there has been an increase I would certainly like to hear about it and I will say why in a moment as I go along. Excursionists from Morocco, I think, is an important factor and although the amount coming in is only \$699,000, it shows that each of those visitors spend in Gibraltar \$57 per head so that I think is a good fish to catch because it is obviously money coming into Gibraltar which I don't think, perhaps, we are exploiting enough and it is one, in my view, on which we can act with some urgency and perhaps be able to bring them in because it is not a question of planning a lot ahead or having to do a lot through travel operators, it is something that we might be able to attract quickly if we carry out a proper campaign on the other side of the Straits. I believe that perhaps this could be done, and I said so the other day, by involving very directly those very people who find themselves overstocked. I think that publicity such as a kind of special month sale in Gibraltar which shows special discounts for certain items that perhaps we are already overstocked, that might be quite an attraction to people to come over. I think it was suggested that perhaps it could be suggested to the ferry operators that reductions in their fares, not must for groups but for individuals, might help. I don't know to what extent they would cooperate with that. I don't know if the Government would be prepared to give them a small subsidy per passenger. I am not suggesting they should do it but I think it is worth looking into. It might be done by way of a voucher that can be handed over to the passenger who comes over or the fact that the passenger who comes as a visitor if he shows the ticket might be able to get a discount once or perhaps

twice. If it is stamped every time he gets a discount perhaps you can say to what extent you can get a discount from the shop or perhaps the shops might agree that those passengers who come along showing a ticket will get a discount. I think that kind of advertising in Morocco will be an incentive for people to come over and I suggest that the Minister should give considerable thought to this. There is, as we know, the Tourist Advisory Board and I don't know to what extent that is being used effectively. I don't know what meetings have been held, if there have been any at all or what was discussed. Was there in fact a contingency plan in case the frontier would not open and in any case what is the policy to make sure that tourism would go in in strength regardless of whether the frontier opens or not. I have always said I welcome the frontier opening in that respect as a bonus but certainly not to be depended on, as I said at the last meeting, because then we would be dependent on Spain. Even if the frontier opened we should not see tourism in Gibraltar in that light. I have been speaking to a number of people in the trade and they all say the same thing. They too, are worried even if the frontier opens that suddenly it might close because as we can see the Spanish Government is a military inhibited Government and they haven't got a free say in what they do, that is obvious. And so, although they promise to open the frontier, at the end of the day they couldn't deliver not in my view because they didn't want to but because they were afraid of the internal consequences of opening the frontier. That is the predicament of the Spanish Government and it is likely to stay that way for a few months if not years. As regards the yachts, which I said I didn't know that the figures had gone down, that is the impression I had, but even if it hadn't because of this business of the discrimination that is being exercised against some of those in France, we are likely to see less of them remaining in Gib and perhaps some which would have come are not coming. I also notice, and I think the Minister should look into this, I have also noticed that there is an arm being extended at the Neutral Ground by the Spanish authorities and it would be interesting to find out what that is for. Is it that they are going to build a Marina there and if they are are they going to start unfair competition, perhaps Government subsidised competition, just simply in order to seriously and adversely affect our own Marina. That is not impossible, as I am sure the Minister will realise. It is to that sort of thing that he should give a little bit more attention. As to the tour operators I think if we look at the number of tour operators that we had before and see how many of them have disappeared. Cooks is gone, Thompson is gone, OSL Apartments is gone, Wings is gone, Eldermans is gone. We are left with Sovereign, Cadogan, Exchange Travel Marshall Sutton and Gibraltar Travel. I understand that the last two that I have mentioned are not all that important but Exchange Travel is very important. I don't know whether the Minister has read in the travel press, the Trade Travel Gazette of June 25th, because I don't really want to give

publicity to this but if the Minister knows I will only refer to it and I think that if he knows what was there and if things did go wrong with this particular enterprise, this particular agent, this would be very serious to Gibraltar. I just don't know what sort of action we are taking in case the worse were to happen because if it does happen then it will have very serious repercussions. I believe that at least two of them are not doing so well. From what I can gather I understand that on the whole it has been better recently and perhaps it is even better today for some of them, but for at least two of them I understand they are not at all happy with the situation and in one instance I understand that the situation could become extremely difficult. Again I don't think it is fair to mention names but perhaps the Minister knows and if he doesn't I will certainly tell him privately afterwards. These are two important hotels and we should do our best by every possible means to give them aid. I notice that on the whole hotels are scared of developing themselves because they are afraid of what might happen if some new hotels were to start in Gibraltar because they find that they haven't got enough tourists for themselves and if there are more hotel beds available it is going to cause greater difficulties to them. Therefore, I think in this respect they do need some reassurance from the Government as to what the future development plans are. They must know and this is why I said development programme, they must know whether the policy is going to be more hotels at any cost or whether the policy is going to be as in fact we do with the control of labour, where you look at how the thing is expanding and if it looks that there is going to be a requirement for more hotel beds then of course you go along and you encourage building but if you see that this is going to be counter productive because literally it is going to throw some of the hotels out of business, then I think perhaps it is not in the general interest of Gibraltar, no matter how good it might look from the actual construction development it might not be in the interest of the tourist industry as a whole given that it is the hotels which are the greatest earners of money in Gib. In that respect I think the Government should come with a development policy. If that is so, it might encourage some of the existing hotels to put more money into the venture because they know that they are investing money which could be productive, but if they think that this is going to lead to wasteful competition then I doubt whether they would be in the mood to put more money into the hotels and there will be a sort of retreat rather than take the offensive. I think they should take the offensive coordinating with the Government and all the other trading sections of Gibraltar and all the other sectors to do with tourism. Lastly, Mr Speaker, I would like to deal with what I think is something that requires immediate action. I know that we had a beautiful plan for the pedestrianisation of Main Street and other arcades and what have you; excellent, long term. But we cannot wait, Mr Speaker, summer is here with us. I hope we are going to make a real effort to bring people from Morocco, I hope we will do that, but when they

come here we have got to make the place look attractive. I think, apart from the bigger developments that I certainly support and I hope will see the light of day, apart from that, there should be within our own resources, within the resources of the traders themselves, urging them to do something to make the place attractive. I have walked past the front of one hotel and I was shocked to see the state that that was in and, of course, the hotel is responsible but someone somehow should have the initiative to speak to the Manager, and say: "Look, it is your own business boy." It is his own business but it is also ours so we have got to do something in that respect. Again I won't mention names but I will certainly tell the Minister and perhaps he has noticed this. The area around the hotel is filthy and if that area is filthy how can you expect tourists to enjoy their stay there. Having said all the bad things let us look at the good things. It is very good in the report that 40% of the visitors have said they will come back to Gibraltar, that is good. We have a product, I think, that given the right things will sell. Is the Government taking note of who they are and is the Government sending them a note every year saying: "You came to Gibraltar on such a day, we were extremely pleased to see you, here is what we have for the following year. Come and see us again." That, in my view would be very useful. If they are not doing it they should give thought to doing that because that is a very high proportion and it is extremely good and I think it is encouraging. I think I have been constructive in my approach and I do hope that something is done along the lines I have suggested and that it requires immediate action for those items that I have just mentioned and then it requires a longterm policy which will give security and encouragement to those who are already here and prepare the ground for later on for more expansion because I can assure the Minister the best way of ensuring expansion in the tourist trade is that those who are now engaged in it are prosperous. If they are prosperous there is no problem, more investors will come like flies to Gibraltar, but if they are sinking as they are now no amount of propaganda and leaflets and what have you is going to make them put any money in Gibraltar.

HON H J ZAMMITT:

Mr Speaker, may I commence by saying that I welcome a chance to be able to answer the questions posed by the Hon and Gallant Major Peliza concerning tourism and the allied trades concerned with tourism. I welcome it because it is a matter to which I have devoted an enormous amount of my time. I take this as a very serious issue in the same vein as I know the Hon and Gallant Major Peliza takes tourism because of the economic value it has to a Gibraltar that needs economic reassessment particularly during the times that we are going through. Mr Speaker, the Government of course looked

at tourism in accordance with the last budget in relation to the possibility of an open frontier situation which we all know never came to pass. It was immediately upon the information that the frontier was not to open that I realised that the whole tourist situation required a serious reappraisal and serious consideration had to be given to not only maintain the kind of tourist trade that we were obtaining at that particular time but, if possible, to improve it substantially. I have had tremendous encouragement particularly from my colleague the Minister for Economic Development and Trade in this field because I think he also agrees totally with the importance of tourism vis-a-vis the economic value. I would also like to say in fairness to the Hon Financial and Development Secretary that upon his return recently he called me and asked as to how we could improve the situation so it will be seen that without my prodding the Financial and Development Secretary it was the other way round so one can see that there is sympathy towards the tourist trade and the tourist industry. Mr Speaker, we have held an enormous amount of meetings with the Tourist Advisory Board and more recently my colleague, Mr Canapa, has held several meetings one of which I attended at the Tourist Office with the Chamber of Commerce, Hotel Associations and the Licensed Victuallers Association and I think it was a very constructive meeting, people were very logical and there was intelligent dialogue and everyone is aiming at the goal that we are trying to achieve and I think that we will be moving. During this week whilst I have been in the House, we have had our own advertising agents out here and they have suggested various methods and improvements on our advertising and our public relations and what we can do and I am of the firm opinion that if there is a concerted effort by all of us, and I repeat all of us, then I do not think that we will be as badly off as people thought we were going to be. But I would warn Members of certain issues that are evident and that there is little that I can do about these things or for that matter this House. The strength of the pound works very much against us vis-a-vis our competitors, we know that. The bargains that one can see at the back pages of English national papers offering bargains at prices that I am afraid we could never compete with even if we gave away our hotels free and we were to subsidise air passages by 50%, we still could not compete, they are cheaper than us so we are up against an enormous competition which we are trying to hold. I am delighted that the Hon and Gallant Major Peliza referred to the 40% of repeat traffic. We do follow that up. We follow that up very carefully because it is particularly that traffic that comes to Gibraltar not just one or two or three years but we have people coming here for many, many years, in fact some people come here twice a year. Where we do find that we lack badly and I would like to inform this House that I intend to take this up during this month - I may have to go abroad - is our air communications. This is where I think the Hon and Gallant Major Peliza will agree with me wholeheartedly. It is no good saying our product is good or our product is bad, we are too expensive or we are not, the real facts are that

every single time I question people I am told: "We would love to go to Gibraltar but we cannot get a seat." You look at the Tourist Survey Report and we find our planes are arriving with 80% load factor, 90% load factor yet our hotel occupancy is down to 30%. Is it that people find it difficult to come to Gibraltar be it because the times our planes depart from UK entail a person coming down from the North of England or from wherever other than London and having to spend an overnight stay at Gatwick adding a further £30 or £40 to an already expensive trip? Is it that if we were able to bring our planes out at, say midday we would get more traffic? I do not know. I can assure Members that I personally picked a phone up and I asked for a seat on the same plane that I was coming back in and I was told the plane was full that there are no seats. That I think is the most important thing and it is like a chicken and egg situation. If our hotels were full then obviously they would improve their product because they are making money. If we could extend our hotels no doubt the airlines would say: "We will put more planes because you have more beds" and the hotels would say: "If you had more planes we could fill our beds." The whole situation needs a very careful reappraisal. I intend to take up very seriously this month which is quite uncommon, may I say, for either trade promotions or any direct touristic sales to be attempted during the month of July because of course it is not the month that one can sell Gibraltar, everybody is either away by that time but I would like to start now, in summer, to ensure that our shoulder months, particularly our shoulder months, can be reinforced. We are hopeful that there is a possibility of an aircraft, a charter flight, coming out from Manchester which is an area which I think is vital in that people would not have to come down from the Midlands and stay overnight in London, there is that possibility. I am going to approach airlines to try and encourage a charter from Scotland, be it Aberdeen, Glasgow or Edinburgh. We already have a charter coming in from Denmark and the possibility of a charter from Frankfurt. We have to diversify as much as we can and I will take this opportunity again of saying that whilst agreeing totally that the day excursionists is a very important factor to the trade and in no way trying to reduce or devalue the importance of the excursionists which we will continue to encourage and if need be strengthen our advertising in Morocco for that trade, we will of course be attaching particular importance to the tourists that come and stay in Gibraltar and stay in our hotels. We are not content about this and I assure the House, Mr Speaker, that when we got to know that the frontier was not going to open we put pen to paper and there are papers floating around at the moment with a new approach to the industry to ensure that we can survive. Mr Speaker, with regard to the Government's policy on new hotels, I take it that the Hon and Gallant Major Peliza must be referring to the tenders that recently went out regarding Alexandra and Napier Batteries. We explained this to the Hotel Association last Monday when we held a meeting but of course that was done in relation to the possible opening of the frontier.

HON MAJOR R J PELIZA:

If the Hon Member will give way. Perhaps that might have been in mind but the general feeling I had is that they were fearful of suddenly someone coming here offering a big hotel somewhere and being granted permission. What they would like to see is a definite policy as to how you are going to proceed with the number of hotel beds available and how that is going to develop as a plan for development and then they know whether they themselves can put more money into the hotels or whether it is not worth doing because the money they are going to put in is going to dissipate because somebody else comes along and there is a wasteful competition.

HON H J ZAMMITT:

Certainly, Mr Speaker, at this stage with a closed frontier situation one cannot visualise somebody coming here and building a hotel not forgetting that we have 882 seats on aircraft but even if our planes were to come totally booked with tourists as such and not relatives staying with their families, we still could not fill up our hotel beds so I cannot visualise anybody coming here and spending £15m in building a hotel with our present set-up with a closed frontier. With an open frontier situation I think it would be a very profitable business and no doubt if ever it does open I am sure that we would have a lot of people interested in opening hotels or tourist attractions in Gibraltar. Mr Speaker, the Tourist Office is more than anxious and we are more than willing to listen to constructive criticisms and suggestions as to how to improve and I would like to say this quite sincerely. I know that I have had my tiffs with people and Committees but we understand each other and I think that certainly for the last nine or ten months we have had an extremely good working relationship and things are going much, much better, there is no doubt about it. Things are working much, much better and I am sure that together we can do an enormous amount. It is the goodwill that must be seen by everybody. I think the Hon Member will agree that people just cannot sit back and expect Government to do everything for them and one sees that there has been determination in the Hotel Association, the Chamber of Commerce, the Licensed Victuallers, there is determination, there is willingness to help and all we have to do is either show leadership because of our official position or possibly assistance, and I am sure we can do it. Let me just give the Hon Member an example. I say this because I know he is directly very concerned, he wrote to me about this issue, and that is the advertising of something about Gibraltar in the Licensed Victuallers of England which have, I am told, something like 32,000 pubs. At our expense we are going to put in what is known as a slot page which you can extract from this magazine and which we hope will be published in all the pubs

and then I have suggested that in doing that we could have an organised Open Darts Championship taking place in Gibraltar. I think we could always get a sponsor for this particular tournament where we could offer £1,000 or whatever to the winner. We could find that the actual pubs themselves in UK might like to sponsor an individual or two and following from that suggestion we find that it can be extended and say: "Right, it is like a pentathlon, you can have a darts man and a pool man." We have thought of - and this I picked up from watching the other TV channel - that some countries are talking about the world windsurfing championship. Well, I think we are in the excellent situation of being able to do that and have the Straits of Gibraltar race by windsurfers. That is the kind of specialised holidays we can look forward to and we have to do this kind of thing but, unfortunately, Mr Speaker, we know that these things require a tremendous amount of advertising, a tremendous amount of money and cost effectiveness but we do know that whatever pound we put in in tourism, we make 66% is the £10m. Mr Speaker, we do put pounds into it. In fact, if we look at what Gibraltar spends for the 100,000 tourists we get - I do not want to go into statistics because we can make them prove whatever we want them to prove - but we do reasonably well for the number of tourists we get. But that does not inhibit me from saying that we should and we must make sure that our tourist industry is not brought to its knees which would be to the delight of many, certainly our competitors around us, and at this particular time we have to ensure that we have the moral fibre and the determination to ensure that with our own resources - we cannot get development aid, I am told, for advertising - we have to make sure that we keep Gibraltar in the forefront particularly in the UK and in Morocco so as to enable people to spend more money in Gibraltar. Mr Speaker, having said that we cannot get money from ODA direct for advertising and promoting our own things, there is nothing to stop us from putting in such things as Military Museums and we can possibly put through other little bits and pieces. There are many things we can do and we are working out now what can be put down for a submission for tourist development. I would like to say that it has only been since the non-event of the opening of the frontier that my colleague Mr Canepa to whom I am very grateful, has come in on the question of tourism under his Trade and Development hat and I am very grateful for his tremendous support and enthusiasm because we cannot allow our tourist trade to go down the drain. Mr Speaker, I have much more to say but I am afraid in the short time that I am allowed all I can say is that I certainly commit myself to do my utmost to ensure that the tourist trade is maintained and I will do my best to increase it as much as I possibly can.

MR SPEAKER:

I will now call on the Hon and Learned Leader of the Opposition who gave notice that he wished to raise the question

of the independence of GBC and its contract with Airtime International Limited.

HON P J ISOLA:

Mr Speaker, I gave notice that I would raise the question of the independence of GBC and the matter of the contract with Airtime International Limited on the Adjournment. My principal reason for raising the matter on the Adjournment Mr Speaker, is really to comment on the apparent lack of interest and knowledge shown by the Chief Minister on the real issues involved in these matters. I don't know whether he was perhaps saying less than he knew but I was surprised by the very little he knew or the very little he was prepared to say on a matter which I think is of considerable importance. I have talked, Mr Speaker, of the independence of GBC and of its contract with Airtime International Limited. GBC is a Corporation, the creature of statute, which has been given a monopoly situation, an exclusive situation in broadcasting and we do not object to that situation. The problem that seems to have occurred, Mr Speaker, and the problem that worries us is, that it seems itself to be fostering children in monopolistic situations as well. It seems to be giving exclusivity contracts here and exclusivity contracts there and that does worry us a bit. We favour, and let there be no doubt about it, we favour the independence of the Gibraltar Broadcasting Corporation. We believe that its finances should move to a position of real independence and we know that GBC cannot have real independence so long as it is dependent on its finances very largely on the generosity of the Government in the first instance with whom they negotiate the amount of the subsidy that they should get and on whose generosity they must inevitably depend and then, subsequently, to this House who have to make provision for the money. So that so long as the Broadcasting Corporation is dependent on large public subsidies it is no use saying that it is truly independent economically. Therefore, you might argue and you might say: "Well, if they take action which is going to improve their revenues, why complain? Isn't that going in the right direction?" And my answer to that would be, yes, subject, of course to us knowing a bit about it, subject to us knowing that it is going to make them more independent and a short cursory look at the facts of the agreement as we know them will show that this is not the case. But I won't come to that yet. Mr Speaker, if the Corporation is independent and is to be independent and we completely favour that view and we reject entirely the attitude of the Chief Minister whenever we bring up the question of GBC, him replying: "Oh, yes, you are trying to control them, we want them to be independent." Well, that is what the Government does all the time. We have to put our questions here because this is the only place in which we can question the funds given to GBC. The Government has many other occasions to do it, when it is discussing with them their estimates for the year, when it is discussing the amount of what they will give them and all these things.

The Government has a much greater grip on GBC than we have, perhaps they want to keep that grip, I don't know, but they do, and it irks us to be accused of trying to affect the independence of GBC because we raise matters concerning them in this House. We have a duty to raise them because, Mr Speaker, over 2800,000 of public monies have been voted to this corporation this year and anything that affects that vote is a matter for proper discussion in this House. We have not raised in this House whether GBC gives enough time to the Opposition or gives enough time to the Government or projects the news, we have not. If we have complaints about that, we have normally gone direct to the Corporation and told them and we understand the Government does the same thing. When we talk of independence we are talking in this sense of political independence. We expect GBC to be unbiased in its presentation of news and we must say that, by and large, I know it is very difficult to please everybody, but by and large, they perform this function adequately. We would like to see proceedings of the House reported more, more proceedings live and all that but that is another matter, that is a matter for discussion. When we talk of independence, we respect the independence of GBC and I hope GBC will respect us for having the courage, if we may say that, of being critical, if necessary in public, knowing that that could have consequences for us but we respect their integrity in their attitude towards independence and we hope that any criticism that we make on these matters are taken in no way as trying to influence them in how they present news or anything like that. But it is an important point, Mr Speaker, because for GBC to be independent it must appear to be independent and I was surprised at the very little information I got, for example, to my questions in relation to the exclusivity arrangements that they had entered into with Panorama because again the Hon and Learned Chief Minister showed little knowledge of it. He said: "Well, the Chronicle had it before." The short answer to that is the Chronicle had it before on a monthly basis and not anything like the same conditions. The conditions on which the Panorama have it today, as I understand it, and that is why I asked the question and I asked the Chief Minister to investigate it and he refused, is that they have now a weekly TV guide, all the information that brings life to the Guide about what the programme is going to do, what it is going to say and so forth, is given exclusively to Panorama. Other people can get the TV Guide but they cannot make any use of it, Mr Speaker, because it is directed towards the week that begins on a Monday, Monday to Saturday. Vox does not get it because Vox gets it on the Saturday and they have only got two days snippets to publish because Panorama gets it first on Monday and that puts out the Vox, Calpe Kews, The People and nearly every other newspaper. They are prejudiced, there is an exclusivity arrangement. It is done free, but it is done free for a reason. If people want today to know what the TV Guide says through their newspapers it is the Panorama they must buy. That looks bad, Mr Speaker. It looks bad when a Corporation appears to favour one particular newspaper. That

is the complaint on that one. If they made available all the snippets of information to all the other newspapers then the other newspapers could write their own little articles on GBC, and that is good for GBC because it gets more listeners, it gets more people looking at it. I know that the Guide is free and it is handed free to a lot of people. An ordinary man in the street can only get it through a newspaper or go to a Hotel or the points of tourists, as I understand it. That is why I enquired about it, I thought it warranted some investigation. It gives a bad impression, an exclusivity arrangement with Panorama which is a newspaper that has been quite critical of GBC and we don't know whether it will be in the future. These things don't look good. We believe in the independence of GBC and we believe that they should act in a way that shows them to be independent. Mr Speaker, the other matter of the independence of GBC, advertising by the Government free of charge. Why? Why shouldn't GBC charge the Government for their adverts and that would be offset against the subsidy? There would be less money if the Government pays but it should be charged because then advertising would be done on a proper footing. Take the Keep Gibraltar Tidy Campaign, the Hon and Learned Chief Minister said in the course of his statement that that could in no way be construed as meaning that the Government is taking sides in this dispute. I asked a question about Keep Gibraltar Tidy because I was watching the programmes and I suddenly saw Keep Gibraltar Tidy almost every time of the day and night on GBC. So I asked the Government: "How much is this costing, is there an increased advertising campaign?" I was told: "No, it is done free of charge, we were really filling up the gap." If they were really filling up the gap are they being neutral? Are they taking sides? Does the Government appear to be taking sides? Therefore these are matters that affect the independence of GBC, the apparent need for GBC not only to be independent but to appear independent. We must not just pay lip service to that, saying it must be independent, we must see that it is and appears to be. Therefore they should charge the Government, even though the Government is their benefactor. They should charge them and then that would be offset in the estimates. Those are the two points I wish to make on the independence of GBC because the Government are too anxious to try and show that the Opposition is the one who is trying to make GBC dependent and they are the good boys, they don't interfere with them at all. I am afraid that is not a position that we can accept. We want to make it absolutely clear to the Corporation and to the Chairman of the Corporation that we will fight for their independence in this House more than the Government does. We will do that ourselves but we wish them to put their own bit in this struggle for real independence and their own bit relates, Mr Speaker, to making themselves self-sufficient as much as possible. I now come to the Airtime International Agreement which the Hon and Learned Chief Minister has put forward as a step in obtaining that independence and self sufficiency. I was surprised by the ignorance, if I may say so, I will use

that word, of the Hon and Learned Chief Minister when he was answering my question. The first paragraph of his statement to the House show this. He read what the Chairman of the Board had written to him on 17th February 1982, and he said: "We have had after a lot of bargaining, their conclusion agreement with Scottish television which will guarantee at least \$140,000 per annum (we hope the figure will be higher) for 40% of our commercial air time. The remaining 60% of our commercial air time will need to be sold. In the past the most GBC has managed to dispose of has been 48%. In replying I said I was very pleased to note the terms on which the proposed agreement with Scottish television had been re-negotiated. Well, he either didn't know the real terms because he was not able to tell us or he only knew some of the terms when he wrote that letter, perhaps he will say so in replying, but the point that is missed here is that we, on the face of it, we would think the agreement was wonderful if GBC had said: "We have 100%, 10 minutes an hour advertising time, we are only selling 48%, we now sell time to Airtime and they will guarantee us 40% sale of the time. Now I have got to look for my customers for the remaining 60%." If that had been the deal, on the face of it, it would have been an excellent deal and we would not have quarrelled with it. Where we quarrel, and we do not quarrel because we don't know the facts that is why we ask for the agreement to be disclosed to the House, where we quarrel Mr Speaker, is that there was a little condition attached to that and the condition apparently was that they took all the business that GBC had built up during the years or most of the business that GBC had built up, to their own exclusivity so the Corporation was giving them, apparently, 40% of the time and the advertising which went with it. This is where, in financial terms, we have to question it because what has happened is that they are in a position then to tell local traders, which apparently is what they have done: "Look, all these products will now be handled by Airtime International, you make your deal with them." They go to Airtime International and they are told it is double the price now, or whatever price it is they are charging. Take it or leave it. This is what has been done, apparently, we don't know. This is, as I understand it, one of the reasons why traders are up in arms because they say: "Why shouldn't we, who have handled our own advertising over many years direct with GBC have to go to London to negotiate our terms? Why should GBC have disclosed to Airtime International confidential matters of the Agreement, confidential information about ourselves, our level of advertising, our volume of advertising, to Airtime International?" That is not commercial practice. Here I would like to pause one moment, Mr Speaker, and say this; the impression given to GBC was that there was a condition in the Agreement of Airtime International Limited and no information in that Agreement could be disclosed to any third party. That is not the impression I get from the Chief Minister's statement. The impression I get is, and the advice he has received from the Hon and Learned Attorney General is, that in accordance with normal commercial practice the agreement between GBC and

Airtime International Limited is confidential to the two parties. The Government's legal adviser's view is that the Government might properly ask to see the Agreement if there were substantial reasons for doing so but that, unless and until he may decide to do so, the agreement should be treated as confidential to the two parties. So what the Hon and Learned Attorney General was referring to was commercial practice, proper commercial practice, and if it is proper commercial practice when two parties make an agreement not to disclose it to a third party, I would make the question, Mr Speaker, why GBC in view of what is proper commercial practice thought it proper for them to disclose to Airtime International their commercial relations with traders in Gibraltar. It seems to me what is sauce for the goose is sauce for the gander, Mr Speaker. These are the sort of questions we want information about because we feel there is a dispute, we have read and I am sure - and nothing surprises me - I am sure the Chief Minister got a copy of the Press Conference of the 21st May by the Chamber of Commerce in which they laid out in quite considerable detail their complaints. I would have thought that a lot of them went through the financial provisions in the Agreement as they could affect the revenues of Gibraltar. I would have thought that it was not only proper, in fact, I would have thought it was the duty of the Chief Minister and of the Financial and Development Secretary, whoever it is that deals with GBC, to have asked for information with regard to the Agreement because, Mr Speaker, can the Chief Minister confirm or deny that at the very present time the Staff Association of GBC, the Hon Mr Bossano, he could have confirmed it if he had been here, is negotiating for thirty two positions more in GBC. In fact, little birdies have told me that the extra money going to be made from Airtime International Limited has already been earmarked by the Union negotiating body for the extra staff. What is wrong, Mr Speaker, with this side of the House getting to know the facts? If it cannot be made public in the House, because GBC thinks it is not good commercial practice, then it should be made available to Members of this House so that we can make a judgement on the matter. We vote a subsidy of \$850,000 to GBC and nothing in the Agreement says that we are going to see a reduced need for this subsidy because of this agreement because the Agreement contains the passing over of the clientele which GBC has built up in Gibraltar over the years to Airtime International. So they are told: "We will pay you \$140,000 but there is the income to pay us with, you put the prices up." I don't know, we don't know the facts and I think we are entitled to know the facts, Mr Speaker. That is why I believe that it is right for me to have raised it on the Adjournment in the hope that I can obtain assurances from the Chief Minister that he will seek to obtain from the Gibraltar Broadcasting Corporation the information that I sought in those questions. We cannot wait till the accounts are brought, Mr Speaker, because the financial situation could have been affected. I suspect that the fact that the frontier has not opened may have put the factors in respect of which the Agreement was negotiated into question. What I am afraid of, Mr Speaker, is what I hear is true, but I

don't and I won't say it here, that if that frontier had opened we might well have found local Gibraltar traders trying to advertise their products squeezed out because of price or other factors I don't know and there is a genuine need to protect the interests of trade. And not just the interest of trade, Mr Speaker, the interest of the consumer because I think that was made also clear in the Chamber of Commerce Press Conference communiqué. I have only got their side, I admit, but we were trying to get the other side of the coin, that if there are very increased costs in advertising and so forth and traders find they have to advertise, because if they don't people go and buy somewhere else. At the moment there is little danger of that, there is little danger I can assure the Hon Minister for Tourism of all the seats in Gibraltar Airways now not being sold and people preferring to go to Pan Am and Hong Kong Airways and Singapore Airlines, they look very attractive, Mr Speaker. I think if tourists from England come to Gibraltar and watch our television they will be thinking of their next holiday to Singapore and other places and not Gibraltar and my Hon and Gallant Friend's satisfaction of the 40% repeat figure may disappear and dwindle. But, it is odd, isn't it? I wish GBC to know this very clearly, I don't want our position to be misrepresented. If we have to hit GBC we will do so. When we have to, we do it, we are not afraid of it, but we don't want them to think we are against GBC, we are not against GBC. We have seen in the press, we have had representations that give us the impression that there are some things that need to be looked into. There is a what we would call in law a prima facie case for some investigation and we have come to this House asking for that information and we have received none of it. We think that is a matter for concern for the House and I would have thought that GBC could give us that information. We have asked it in the proper way through the Chief Minister who answers for GBC in this House and not direct to the Board. If the Government feel that any queries we have on GBC should in future go direct to the Board we will go direct to the Board and ask them for the information and if they don't give it to us then we will bring it to the House and criticise them for it but they were perfectly innocuous questions asking for information. We have had complaints, a significant part of our population feels aggrieved and that is a matter, in my view, that the Government should take an interest in. In the same way as the Government takes an interest if there is a strike of Stevedores in the Port who want more money, the Minister for Labour is soon around there with the Union trying to get them together and bring peace with them. It is strange that in this particular case, where public funds are concerned or could be affected as a result of drop in advertising revenue of GBC, that the Chief Minister prefers to stand apart, prefers to make no inquiry, investigation as to whether a significant part of our population has just cause to be aggrieved. That is the cause for concern for us, Mr Speaker, and I would like to hear from the Chief Minister, I would like to have assurances from the Chief Minister that he will take the matter further than he appears to have been

ready to take it in answer to my questions earlier on in this meeting.

HON G T RESTANO:

Mr Speaker, I would like to question the deal that has been made by GBC with Airtime. I wonder whether it is in fact such a good deal. The information we have, of course, is very limited so the conclusion that one comes to has to come from the facts available. The facts available, as we have them, is that 40% of advertising time has been given to Airtime at a guaranteed, at least, £140,000 and that GBC's maximum effort has been 48%. In actual revenue terms, GBC's revenue in the year 1980/1981 was £172,132. If that represented 48% it meant that at those rates in those days 40% would have been £143,000. In any case, even in those days on these figures I would have thought, unless there are a lot of other hidden benefits for GBC, that £140,000 seems to be a very low figure. In those days, in the year 1980/81, and I take, to rationalise, one spot, say, a 30 second film or VCR, which I think is the most common, in those days, in 1980/81, the charge per spot was £14.40. In 1981/82 it went up to £16, that is about an 11% increase so one would expect that for last year the overall total in advertising would have been a round about £190,000. But now I have here the rates that Airtime International propose to change and for that same 30 seconds spot which in 1981/82 was charged at £16, there are three rates. A late off-peak, an early off-peak and a peak and their rates are £22 for the cheaper one, £32 for the medium one and £42 for the peak rates. Taking the average, therefore the introduction of Airtime has doubled the rates being charged to advertisers. If that money was going to come back to GBC I think one would have to look at it but I wonder how much of that money is going to go outside Gibraltar, it is just going to evaporate, we are not going to see it. I think that is the question that has to be asked very carefully. Of course, one notices these little conditions that go in just go raise the charges. For example, the cheap charge I notice there is only about half an hour to three quarters of an hour in the day which is at the end. The early charge which is the second one, there is only one and a quarter hours and so over half GBC advertising time will be at the most expensive rate. I think that on the figures that we have the revenue could well be over £400,000 and the guarantee is only £140,000. I think we need to have some explanations for that, Mr Speaker. I will stop now to give the Chief Minister plenty of time to reply.

HON CHIEF MINISTER:

One of the current themes of the Leader of the Opposition's intervention is "these things don't look good." I think it doesn't look good that we should try here, where we are

only responsible at the time when we have to make the estimates and make provision, when the testing time will come for this, to interfere with an independent body. My answer was a comprehensive one, a frank and candid one on the basis of the information I had at the time and I have no more information now than I had when I answered the question a day and a half ago. First of all there was only one point which I said I would take up and in any case we have been busy otherwise. If I did mention in the first paragraph of my comprehensive reply to the four questions the exchange of letters with the Chairman, it was precisely to show that that is all I knew about the terms of the Agreement, I have heard a lot about the Agreement, but that is all I knew about the Agreement. I am still of the view that until the testing of this is shown, and I indicated if it was a fiasco what one would expect the Corporation to do, we must leave GBC to carry on their business the best way they think. It is already difficult enough to ensure their independence due to the fact that they have to come to us in order to get the "make-up" for what we think is proper. When the Hon Member was saying that they were already ganging up for thirty people, they could gang up for fifty people but when they come to Government they will find, as they did just before the frontier was due to open when they requested that the subsidy should be increased somewhat because they wanted to employ a number of people who would be dealing with advertising in Spain and so on, that we are terribly critical about these matters. On that occasion even at that time before the 21st June we said no. So they do not come for the difference of what they want to spend and what they can get. The officials come and see the Financial Secretary or the people concerned at Estimates time for what can reasonably be expected for them to run a service. It is on that basis that the grant is made without any strings attached. It is not the first time that GBC has an agent to deal with their advertising, for a long time they had Mr Louis Bruzon. He was in charge of advertising. He took whatever commission it was and, presumably, he made a living out of that, airtime was being sold through an agency. Now they have chosen to do it through another agency and we will see what happens. Two other questions, first of all, the advertising by Government. Government doesn't normally advertise because it doesn't sell anything. Communiques go out but the only point is that traditionally from the very beginning notices of public interest have been sent to television and they have published them. If we send a press release or a press notice they edit it or whatever it is and they publish it and I think this has been the case from the very beginning. The only point I made about this question which made perhaps in jest or fun, whether we were spending more money to make up for the possible loss of revenue with the Keep Gibraltar Tidy Campaign, well, I presume that because they had more time they had given it more time and at least the Keep Gibraltar Tidy Campaign has benefitted. But if we were to say: "We want so many spots for Keep Gibraltar Tidy" and we pay them £300 or £400 a year it would be £300 or £400 a year less that we would have to pay them in the subsidy so it doesn't matter one way or the

other. It is a matter that we will look into if Hon Members opposite think that in that way this means that GBC's independence is affected. Certainly, we will look into that and see whether instead of giving it in one way we will give it in another it does not matter. In fact, if anything we have quarrelled more with GBC because of the way they have put across sometimes very important public notices which they choose to edit the way they like. It is their privilege and we sometimes don't agree but they are independent and we will do our best to make sure that they are kept independent. The other point about the GBC Guide. First of all, let me say that this is not the first time that the GBC Guide has been issued with a newspaper. For a long time it was issued with Vox and whereas you got the free GBC Guide in the same places you are getting them now, you got them really if you wanted them by buying Vox. This was thought to be convenient to them and to Vox, presumably, and to GBC and that is the way it was done. It is available at the Tourist Office, it is available at Hotels and until the matter is reviewed, as I said that I would look into it I will request that it be made available in more places in order that people may take it. I think this is a matter of advertising and the way that GBC does it, again, is their own problem. I agree that as many copies of the free guide which gives details of GBC should be made available. The question of, "if the frontier had opened local advertisers would have been squeezed out" is, I think a lot of nonsense because there was still 60% of advertising available locally because the advertising company was only buying 40% of the time. That, I think, is absolute nonsense. In fact since the intention of the opening of the frontier was announced they increased the service of the advertising department in order to be able to gather more advertising in that 60% that they had available having regard to the contract that they had made with Airtime International.

HON MAJOR R J PELIZA:

Would the Chief Minister give way? Is there any reason why those who were advertising before should have been penalised? Why aren't those allowed to use the 60% why must they use the 40%?

HON CHIEF MINISTER:

I don't know, that is a matter of the contract which, as I said, I have not seen. The other point that arises which makes the position even more difficult from our point of view is that already the Chamber, I understand, has questioned the legality of GBC doing what they have done and GEC have refuted that and the matter is in the hands of their respective solicitors and that is now a dispute between them and certainly we are not going to do anything that would either affect one party or the other at this stage. I have seen a number of advertisements by watching television recently, it may not be the same as they had before but some people have gone,

obviously, to get local advertisements. I said at question time that I would seek the cooperation of the House in obtaining the Hansard of the questions and answers on this matter early. Equally, I would seek the help of the House in obtaining the Hansard of this Adjournment debate and I will certainly ensure that the Gibraltar Broadcasting Corporation get a copy of Hansard as soon as possible and let them react the way that an independent body reacts in matters of this nature.

Mr Speaker then put the question that the House should adjourn sine die which was resolved in the affirmative.

The adjournment of the House sine die was taken at 7.00 pm on Thursday the 8th July 1982.

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

12 October 1982

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Twelfth Meeting of the First Session of the Fourth House of Assembly held in the Assembly Chamber on Tuesday 12th October, 1982, 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 H.J. Zammitt - Minister for Tourism and Sport
The Hon Dr R.G. Valarino - Minister for Municipal Services
The Hon J.B. Perez - Minister for Health and Housing
The Hon D. Hull QC - Attorney General
The Hon R.J. Wallace, CMG, OBE - Financial and Development Secretary
The Hon I. Abecasis

OPPOSITION:

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

The Hon J. Bossano

ABSENT:

The Hon Major F.J. Dellipiani ED - Minister for Education and Labour and Social Security (who was attending the CPA Plenary Conference in the Bahamas)

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 6th July, 1982, having been previously circulated, were taken as read and confirmed.

DOCUMENTS LAID

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

- (1) The Port (Fixed Penalty) (Procedure) Rules 1982.
- (2) The Port (Amendment) Rules 1982.
- (3) Gibraltar Registrar of Building Societies - Annual Report 1981.

Ordered to lie.

The Honourable the Minister for Public Works laid on the table the following documents:

- (1) The Motor Vehicles (Temporary Importation)(Members of HM Forces)(Amendment) Regulations 1982.
- (2) The Traffic (Omnibus Fares)(Amendment) Regulations 1982.
- (3) The Traffic (Registration and Licensing of Civilian Vehicles)(Amendment)(No.2) Regulations 1982.

Ordered to lie.

The Honourable the Minister for Tourism and Sport laid on the table the following document:

- (1) The Gibraltar Museum Accounts for the year ended March 1982.

Ordered to lie.

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

- (1) The Employment Survey Report - April, 1982
- (2) The Prison(Amendment) Regulations 1982
- (3) The Employment Injuries Insurance (Determination of Claims and Questions)(Amendment) Regulations 1982.
- (4) The Non-Contributory Social Insurance (Unemployment Benefit)(Amendment) Regulations 1982.

Ordered to lie.

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

- (1) The Inland Call Charges Regulations 1982
- (2) The International Trunk Calls Charges Regulations 1982.

Ordered to lie.

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

- (1) Supplementary Estimates Consolidated Fund (No.2 of 1982/83).
- (2) Supplementary Estimates Improvement and Development Fund (No.2 of 1982/83).
- (3) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No.2 of 1982/83).
- (4) Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No.1 of 1982/83).

Ordered to lie.

ANSWERS TO QUESTIONS

The House recessed at 1.00 p.m.

The House resumed at 3.30 p.m.

ANSWERS TO QUESTIONS CONTINUED.

The House recessed at 5.25 p.m.

The House resumed at 6.05 p.m.

MOTIONS

HON CHIEF MINISTER:

Mr Speaker, I have the honour to move on the terms of the motion standing in my name that: "This House resolves that the Hon J B Perez be discharged as a Member of the Public Accounts Committee and that the Hon Dr R G Valarino be appointed a Member of the said Committee in his place". Mr Speaker, the Hon Mr Perez was made a member of the Public Accounts Committee sometime in 1978 and then after the elections when this House was constituted he was again elected. Mr Perez has now assumed more ministerial responsibilities in respect of Housing, he is also a member of the two Select Committees that have been sitting for a long time, the one on divorce and the one on rents, and he has naturally asked to be relieved of his responsibilities in respect of the Public Accounts Committee because it does meet pretty regularly and takes a long time and I therefore move that he be discharged and that Dr Valarino be appointed in his place. The Chairman of the Public Accounts Committee has pointed out to me, kindly, that there are one or two matters which have been discussed by the Public Accounts Committee on which no final decision has been taken and on which the Honourable Mr Perez has been participating. I have not been able to look carefully at this but I understand that though he may not be a voting member he can be co-opted by the Public Accounts

Committee to advise or in order to be able to give his views in respect of matters on which he has already contributed and he has no hesitation in winding up his own account. I would not like to put a date because it might take a little longer maybe matters are spread over and are not identified but on that understanding he will be available to the Public Accounts Committee in respect of those matters which have not been concluded as requested by the Chairman in such terms as make it possible, I think they have powers to co-opt.

MR. SPEAKER:

I think the powers are for the purposes of giving evidence or advice.

HON CHIEF MINISTER:

Well, in any case Dr Valarino will be attending as a regular member and no doubt the Chairman will issue an invitation to give evidence to the Hon Mr Perez in such a way that will help him with his work. I beg to move, Sir.

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

HON G T RESTANO:

Mr Speaker, we will be supporting the motion. It is of course the prerogative of the Government to appoint its own members and for that reason we will support the motion. The point that was made by the Chief Minister is that when the Public Accounts Committee recessed during the summer, it had discussed a number of matters, it had interviewed a number of Heads of Department and all the evidence has been collated and really it requires final conclusions and recommendations to be reached and for that reason I did approach the Chief Minister this morning to explain that I thought that for at least one or two or three meetings the Hon Mr Perez should continue to finish up the work that has been done up to now. As Chairman of the Committee, Mr Speaker, I can say that the Committee itself has worked very well, I think everybody has contributed in a very helpful manner and I thank the outgoing member, Mr Perez, for his contribution to that Committee. It has worked well and I trust and I am sure that it will continue to work in as well a manner with the new member.

Mr Speaker then put the question in the terms of the Hon the Chief Minister's motion which was resolved in the affirmative and the motion was accordingly passed.

The Hon J Bossano abstained on this motion.

HON A J CANEPA:

Mr Speaker, I have the honour to move in the terms of the first motion standing in my name which seeks to amend the Social Insurance Ordinance and I would be grateful Mr Speaker, as has now become the practice, if I could dispense from having to read what is a rather long and complex motion.

MR SPEAKER:

I feel sure the House will give leave for the Hon Minister not to have to read the text of the motion which has been circulated with the Agenda and all Members are aware of it.

HON A J CANEPA:

Mr Speaker, the Social Insurance Ordinance requires the Minister for Labour and Social Security to review annually the rates of benefits and contributions under the Ordinance having regard to the general level of earnings and prices, provided that in determining the standard rate of Old Age Pension for a married couple, this is not fixed at less than 50% of the average weekly earnings of weekly paid full-time employees in Gibraltar or 33 1/3% in the case of a single person. At the time of carrying out this review, Sir, the latest available survey was that for October, 1981, and this gave such average weekly earning as £103.03. On this basis, therefore, it is proposed that the standard rate of Old Age Pension to be introduced in January, 1983, should be £55 instead of the present £49 for a married couple and £36.70 instead of the present £32.50 for a single person. These new rates represent increases of about 12½% whereas the rise in the index of retail prices during the twelve months from January 1982 to January 1983, is not expected to be more than about 10%. Other benefits under the Ordinance, Mr Speaker, will also be increased in the same proportion except that once again maternity and death grants are remaining the same as they are still higher than in the UK, the cost of living, Mr Speaker, and the cost of dying being different in the two places. The proposed increases in benefits are estimated to involve additional expenditure to the Social Insurance Fund of some £890,000 a year. As Hon Members may recall, the rise in expenditure on benefits over the past five years has been mainly but not fully met from increased contributions, the balance being met from the income from the funds investments. Although the report of the last actuarial review of the fund has not yet been received, the Government actuary has already pointed out that if this process continues of using investment income to bridge the gap between contribution income and total outgo the fund could be exhausted by about 1988. In fact, Mr Speaker, I think I had better correct what I said, the report of the actuary has only very recently been received but it has not yet been considered by the Government, in other

words, it has not yet been considered by Council of Ministers but the actuaries were consulted with respect to the proposals now before the House and as I say their advice was that the fund could be exhausted by about 1988 if the process of drawing reasonably heavily on investment income were to continue as has been the case in the last five years. And so, Sir, in order to maintain a fund large enough to act as a contingency reserve, it is recommended that by the time of the next review which will be in five years' time, contribution rates will need to be about one-third greater in relation to benefit rates than what they are in 1982. In order, therefore, to take the first step in this direction we are proposing to increase contributions in January 1983 by £2 per week, £1 from employer and £1 from the employee for both men and women and proportionately less for juveniles. In percentage terms this represents about 30% for men and 34% for women which is substantially more than the increase in benefit and substantially more than what the increases in contribution have been in recent years and even so it is estimated that there will be a shortfall of about £22,000 between contribution income and benefit expenditure, assuming that there is no drastic change in the unemployment situation. Should there be such a change the situation would be very much worse and give grounds for much greater concern over the funds future. Let me give some idea, Sir, of what this could involve. Say that we were faced with an additional 500 unemployed claimants, all married and with an average of two dependent children. Then during the three month period in which they are eligible for unemployment benefit at the rate which we are proposing for next year in a subsequent motion, the cost in benefits would be about £335,000 which when added to the corresponding loss of contributions of about £220,000 a year from these unemployed persons who are now paying contribution, would come to well over £1m. With this sort of prospect it will be appreciated that it is even more necessary to try and avoid benefit expenditure out-stripping contribution income. Estimated on roughly the present level of unemployment and taking account of the ever increasing number of old age pensioners, the measures proposed in this motion will result in estimated expenditure in benefits in 1983 of £4,810,000 and contribution income of £4,788,000 leaving the balance of £22,000, which I made reference to earlier, to be met from income from the funds investment. But as I have already mentioned, Sir, developments in 1983 could result in this deficit being considerably higher. The balance of the Social Insurance Fund now stands at close on £8m but at the current level of expenditure this represents less than two years expenditure and this without having regard at all to the commitment in respect of pensioners in the Campo Area in the event of the frontier opening, hence the need to continue increasing the funds reserves to the maximum possible extent. I trust, Sir, that what I have said will enable the House to give support to this motion. Later in these proceedings I am

presenting two other motions under the Employment Injuries Ordinance and the Non-Contributory Social Insurance Benefit and Unemployment Ordinance which are part and parcel of the annual review of our Social Security Scheme. Sir, I commend the motion to the House.

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

HON W T SCOTT:

Mr Speaker, although Members on my side of the House generally very much welcome the annual rise that there is in old age pensions and subsequent pensions, of necessity obviously the contributions also have to go up. But whether in fact, and I think it is the Hon Member opposite said a period of three years, whether the difference or the extent to which the Government would want the social insurance fund or the contributions towards it to take just the three years we are not at the moment entirely convinced on because it seems to us quite a sharp rise in contribution level both from the employer and the employee. That is really all at the moment, Mr Speaker.

HON J BOSSANO:

I think that if one were to choose between lower contributions and lower benefits and higher contributions and higher benefits, then I can tell the House that as far as I am concerned I am prepared to support the high contributions in order to get higher benefits and indeed to maintain the linkage between average earnings and old age pensions which we introduced, I think it was, in 1978. I think it was a very progressive step at that time and it is important that we should maintain that relationship for as long as we can afford it and I would support an increase in contribution if it is necessary. I am not entirely convinced that the arguments that have been put forward justify that the case has been made in fact which cannot be countered as to the degree to which we are increasing contributions this year. I will be voting in favour but I am expressing my reservations because I do not think the arguments that have been put to my mind prove the case conclusively. We are talking about raising an addition 1m in insurance contributions. We are talking about a labour force of 10,000, £2 a week £1 from the employer and £1 from the employee. That is in fact a very substantial amount of money to raise which has a number of implications not least of which is a reduction in purchasing power in the community of £1m because not the whole of the £1m is going to be put back into benefits since the intention is to build up what has been said is a somewhat depleted fund through failure in the past to match contribution and expenditure and a shortfall having been made by investment income. But

nevertheless the reality of the situation is that the fund does get bigger every year, that it was £7m at the end of the financial year 1980/81, £8m at the end of the financial year 1981/82 and I have no doubt it will be £9m or £10m at the end of the year 1982/83 particularly when one takes into account what has been happening in the gilt edged market and what has been happening to the funds investment which will no doubt have appreciated considerably in the last few months. I think we are going to see ourselves with a very healthy fund at the end of the year. I accept entirely the arguments of the Hon Minister that should there be a drastic change in the employment situation in Gibraltar, the fund can no longer be considered to be in a healthy situation if we have massive unemployment and huge calls made on the fund but I do not think that a problem of that nature is one that we can resolve ourselves within our own resources and I would certainly not accept that we have to assume the responsibility at this stage for making provision for such an eventuality, so I think in looking at the fund we must look at the fund on the basis that the situation will continue as it is at the moment which in itself in fact is a deterioration from what it has been in the past. We have got now something like 500-odd people out of work whereas on average in previous years it has been half that figure, 250 to 300 people has been the usual level of unemployment in past years in Gibraltar. I think also that whilst I am speaking on the general principles, if I can make some reference to the other motions, there are some apparent inconsistencies which I think have arisen inadvertently over the year but if there is a logical explanation for them I would welcome hearing that explanation from the Government. Particularly in looking at the different levels of benefits provided under different provisions we find that, for example, the increase for dependent children under the retirement pension, under the unemployment benefit, and under the old age pension is in all cases £5.40, nevertheless in the case of industrial injury it is £4.27 for the first child and £2.80 for subsequent children. It is difficult to understand why the addition that is made to the benefit in the case of dependent children should be less in the case of industrial injury than it would be in the case of a pension which, there are very few cases of course of old age pensioners having dependent children but they do exist but there cannot be more than half a dozen, I would think, but certainly in the case of unemployment benefit there is a pattern, there is a standard figure in three of the benefits and there is a different approach in the fourth benefit. If there is a logical answer to that I would like to know what it is. We also find that whereas the actual benefit paid of £33.25 to the person who is single is higher than the level of unemployment benefit though not the level of old age pension because that is linked to average earnings, the adult dependent is £8.33 so that in fact a person in receipt of industrial injury benefit who is single gets something like £9 or £8 more than

somebody who is single unemployed, but somebody who is married and industrial injury gets less than somebody who is unemployed. Again there seems to be no reason other than it is a historical accident because the benefit starting from different basis have had additions put to them over the years without in fact a cross check being done on it, at least I think that is how we have arrived at that situation but if there is a reasoning behind it I would like to be given the explanation for it. I also think that in the question of the payment of injury benefit, I am not sure for how long the injury benefit is paid, but we do have a situation, Mr Speaker, where to some extent the benefit in the majority of cases accrues to the employer rather than the employee and I wonder if perhaps not on this occasion because we are now in the middle of actually passing the legislation but if the Government could give some thought with plenty of time for their next revision to seeing whether there can be some alterations in the rules governing payment for this because we have a position where somebody who has an injury at work, for example, particularly in the public sector I am thinking although it applies to some extent as well in the private sector, where the union agreements provide that the level of benefit paid by the employer to the employee lasts longer where it is as a result of an accident at work than it does when it is a result of sickness because obviously there is some measure of responsibility ascribed to the employer. Because the employer gives the full wage to the employee it means that during the period of the industrial injury effectively particularly in the public sector, one finds that since there is no separate injury benefit as such, there are twenty-six weeks of sick leave, it is cheaper for the employer to pay an employee on industrial injury than on sick leave because whatever the Government is increasing go back to the employer and the employer makes up the difference but then what tends to happen and I am thinking of specific cases that I know of, is that the two benefits tend to terminate at the same time so that we find that the worker who is out of action for a lengthy period of time as a result of an injury at work but who has not in fact been medically boarded as being capable of recovering and of going back to work because if he is boarded then he gets a disablement and he finishes employment but if it is a lengthy one, he can exhaust the benefit both from the employer and from the insurance and find himself going from full wages to nothing. It seems to me that if one could give some thought to the possibility of channelling the injury benefit to the period of time when the wages from the employer finish then we would provide a better cushion for people who suffer from industrial injury. I think that that particular point is one for the Government to give some thought for the future because I do not think it is something that can be done on the spur of the moment, one has to look at all the implications and see how it can be drafted but I want to take this opportunity of saying it. I think the

other one is something that I would like an answer on before we come to vote. The third point that I want to make, Mr Speaker, is that I have had representations regarding the question of eligibility for unemployment benefit for people who are retired from Government employment. We, I think, amended the legislation not so very long ago in this House and this affects particularly non-industrials who retire before the age of old age pension and who cannot in fact register, apparently, as unemployed and draw unemployment benefit. I thought that this limitation was put on people who opted for voluntary retirement which to some extent has a logic in it because if somebody chooses to give up his job then really one assumes that he would not want to go and register at the employment exchange to seek another job when he has given up his job voluntarily but when you have got a situation where non-industrials are required to terminate their employment at the age of sixty because they are blocking promotion and they cannot be found re-employment on a down-graded basis, they have got a five year gap between the time that they retire from their employment and the time they qualify for an old age pension. During that five year gap they either have to register as unemployed and get credits or else they have to find alternative employment or they have to keep on from their occupational pension maintaining their payment so as not to prejudice their eventual benefit, I would have thought in cases where retirement is compulsory people should not be penalised because presumably were they given the choice they would continue working until sixty-five. I am not sure whether in fact they are being penalised or not but I have had representations made to me to the effect that they are, that in fact they are made to retire and that they cannot register as unemployed and that they cannot draw unemployment benefit and they have to out of their occupational pension maintain social insurance payments in order to be able to qualify five years later for an old age pension. I would like clarification on that point.

HON A J HAYNES:

Mr Speaker, I have three matters to bring to the attention of the Hon Minister. The first concerns the disparity in some pay as between sexes. Is the Minister trying to erode this distinction? Is he aiming for equality of sexes at a time when common sense

HON A J CANEPA:

Mr Speaker, is he referring to benefits or contribution rates?

HON A J HAYNES:

Both, Mr Speaker. It does seem to me that if we have equal rights for women that they should be entitled not only to

higher benefits or the same benefits as men but they should also be asked to contribute in like manner and perhaps this is something which Government can investigate. I note in fact that in all the rates that we have before us only the old age pension in the event of being permanently incapable of self support we do have equality of sex in benefit and I was wondering why that distinction should be abandoned at that point and nowhere else. It does seem to me that a widower has as many problems as a widow and that these distinctions should not be perpetuated or at least if it is not feasible at the moment that they should perhaps be removed at a later date. Secondly, Mr Speaker, on the question of the contributions by self-employed persons, I believe that these are somewhat high and that if as is the case we are trying to encourage diversification we should therefore be trying to encourage the self employed and I believe this is a small inducement, I appreciate that it is tax deductible but it is still money that has to be found and a reduction in this sphere may be of interest to Government and it may also, Mr Speaker, not only lead to diversification but it also may bring more people under the umbrella of the social security system, more people will declare those self employed jobs which they undertake and this is perhaps an incentive which the Government will consider at a later stage. Again, of course, the disparity of sexes should be removed if possible there. Lastly, Mr Speaker, a note of concern. I notice that the Hon Member referred to our obligation to those Spanish workers who would be entitled to receive benefits following the opening of the frontier. Can the Minister make a statement on the effect this could have on the fund? As I understood it the other problem we have is that since the second generation contributes and pays for the first generation, if as seems to be the case we are going to have fewer children in years to come as population numbers dwindle as family composition numbers dwindle, what is going to happen with the benefits to be received by those who are contributing today, are they going to be proportionate to the contribution that they are making today? Are we going to have a situation where fewer people are paying for more and if this is the case if the Minister is concerned for the future wellbeing of generations, can he assure this House that enough money from the contributions is being invested and ploughed into the whole system rather than being passed out on a weekly basis?

HON P J ISOLA:

Mr Speaker, I would like to say something and give way for some enlightenment. Is unemployment benefit, in fact, payable under the Social Insurance Ordinance?

HON A J CANEPA:

No, it is payable under the Non-Contributory Unemployment Benefit Insurance Ordinance, the third one on the Order Paper.

HON P J ISOLA:

So that as far as the Social Insurance Ordinance is concerned no unemployment benefit is paid out of that and I suppose that the problems to the fund that would arise from high unemployment would be the fact that contributions would not be paid.

HON A J CANEPA:

No, the rates of benefits are prescribed under the Non-Contributory and Unemployment Benefit Social Insurance Ordinance but the unemployment benefit is paid out of the fund for thirteen weeks after which if the beneficiary is still unemployed he may be entitled to supplementary benefits which is then paid out of the Consolidated Fund.

HON P J ISOLA:

I thank the Minister for that explanation. The only observations I would like to make, Mr Speaker, I agree entirely that if we are to maintain increases in social insurance benefits with average earning, contributions will have to go up but am I right in thinking that at some point of time, depending on how the economy develops, the Government will have to consider the effects on the development of the private sector of the economy from high social insurance payments and I think that is something that should be kept in mind. The Government does have a built-in advantage in the Social Insurance Ordinance in that the people who receive the benefit of increase average earnings and therefore an increased insurance benefit of course receive these benefits free of tax.

HON A J CANEPA:

Is he saying that that is an advantage, I would have thought that it wasn't.

HON P J ISOLA:

No, not an advantage to the Government it is an advantage to the recipient.

HON A J CANEPA:

And to the private sector because there is higher disposable income.

HON P J ISOLA:

Yes, what I am saying is that there is an advantage under the social insurance scheme in the fact that benefits are paid tax free to the recipient, that whereas in the United Kingdom if they keep up with average earnings the benefits under the Social Insurance scheme tax is paid on these average earnings so in Gibraltar a greater benefit is accruing to the recipient.

HON J BOSSANO:

Mr Speaker, this is quite different surely because in the UK there are two levels of benefits which is the basic rate of benefits and the supplementary rate which is earnings related. The move to tax social security benefits is a very recent move introduced by the present Government, it has never been the case in the past.

HON P J ISOLA:

I am not clear. The only point I wish to make, Mr Speaker, is that with a possibly worsening economic climate this social insurance fund has to be watched very closely and it may be wise to be slightly less generous in payment so that in the future the payments can be kept up rather than to be more generous, this is to my mind cautious economic thinking. What I would like to see, Mr Speaker, and the main reason for my getting up here, and I say it in the context of this particular motion as my Honourable Friend Mr Bossano has referred generally to all the benefits that are to be increased, I would like to make a plea at this stage to the Government to reconsider its attitude once more on the question of the Elderly Persons Pension, that we are increasing by 12½% or whatever retirement pensions free of tax, social insurance pensions free of tax but the increase under the Elderly Persons Pension what we are doing is taxing it and therefore as we push it up so the rate of tax will go up in the hands of the recipient so that they will not be getting the same net benefit in percentage terms as the other two insurance recipients and in fact the position in relation to them because of the tax bracket and so forth will be a worsening position rather than an improving position. They will get more money but they will probably pay more tax and it could go up into a higher tax bracket, I am not sure, whereas the recipients of social insurance pensions and retirement pensions no matter what their income is, no matter how high their income is, will get the 12½% increase net. There is a basic unfairness and social injustice in this and I would ask the Government as the Elderly Persons Pension Bill comes at a later stage to consider whether they ought not to put it right once and for all.

HON CHIEF MINISTER:

Sir, there is just one small point I would like to raise in connection with points raised by the Hon Mr Bossano of the fact that the increased contributions will mean less disposable income for spending, of course, but not to the full extent of £1, certainly not more than 70p and possibly 55p or 50p less because they are tax exempt and therefore to that extent the burden is not as high as it looks.

MR SPEAKER:

I will call on the mover to reply.

HON A J CANEPA:

Thank you, Mr Speaker, I have taken careful note of most of the points that have been made, Mr Speaker. The Hon Mr Bossano raised a few matters which are of a slightly more complex nature in respect of which I do not feel that I can respond to all of them here and now. I do not know, Mr Speaker, if it is possible for a reasonably early copy of the Hansard to be made available in respect of his contribution so that when Major Dellipiani returns I am able to go over the points that were made by the Hon Mr Bossano with him because it is really for him and his Department now to consider the points that were made with a view to possible future implementation. If that were to be possible I would be very grateful because it makes life much easier for us or more difficult for the Clerk of the House, I realise that. What I can say though regarding the disparity that there is in benefits payable to dependents that this is very much a historical thing and I would agree, as a principle, that we ought to strive for greater rationalisation in respect of similar benefits. Mr Scott, Sir, made reference to the sharp rise in contributions, and I do agree that they are quite sharp though the Chief Minister has just pointed out the extent to which the increases in fact attenuate it but nevertheless a joint contribution by insured person and by employer £8.50, at a time when average earnings measured by the April Employment Survey stand at what, over £120 a week, this means, Mr Speaker, that we are financing a very high level of benefits, higher than in the United Kingdom, very much higher in real terms than in the United Kingdom, through a joint contribution of about 7% of average earnings whereas in the United Kingdom I think that it is more like 14% or 15% so I think we are getting a very good value, a very good return in this scheme part of it I think is because the administrative costs are extremely low and they are not passed on to the fund, the cost of the administration of the scheme is met by the tax payer and not by the contributor and partly, of course, because I like to think that whatever

abuses there may be in a vast social security setup such as you have in the United Kingdom are very much less so in Gibraltar. I think in the United Kingdom, Mr Speaker, the stage has now been reached when if someone is away sick, he is able to certify himself that he is away sick and go and collect his social security benefit. I think it has reached that ridiculous stage and they prefer to do it that way because it keeps the costs of administration down. Well, we haven't reached that stage in Gibraltar so I think we are getting a good return for our contributions. The Honourable Mr Haynes' points were mainly directed on the question of equality of the sexes. What has happened over the last few years is in fact that we have been moving precisely in the direction of greater equality. An EEC directive which requires that contributions by males or females should be the same and which requires that married women should contribute the full rate that that widows should contribute the full rate if they are in employment, something which I personally disagree with, but that EEC social security directive comes into force I think it is in 1985 and we have, as a result of that, been moving in the direction that we have been closing the gap in contributions between female workers and male workers and by 1985 the gap will have been abolished completely. With regard to benefits, we have also been doing something similar, because whereas previously there used to be no provision for benefits for a widower, now where a widower is incapable of self support, in other words, a handicapped person who has been dependent on his wife as the breadwinner and he becomes a widower, previously he would have got no benefit other than supplementary benefit. We legislated a few years ago to make provision for a widower's benefit. We have also made provision in similar terms for a woman who is paying insurance may in the case of her husband who is not paying insurance, that she may get the additional benefit which a man receives in respect of his wife or, indeed, that the husband may, when he reaches the age of 65, get a pension paid in his own right but based on his wife's contributions as a worker. That did not exist two or three years ago. Where we haven't introduced equality and I personally don't agree that we should, is in either lowering pensionable age for females from 65 to 60 or doing the opposite, increasing it for women from 60 to 65. The progressive measure should be that you lower it to 60 or at least to a figure in between, such as 62 or 63 for everybody. That would be a costly exercise and that is, I think a distinction which I think we are going to have to carry for some years yet. I don't agree that the self-employed is somewhat high compared to the employed because what used to be the case, say, 10 years ago, was that in fact the self-employed person was paying the employed person, the employer's contribution and the insured person's contribution, which was virtually double the insurance. Now, taking precisely the point made by the Honourable Member, because of that reason, the joint contribution is £8.50 whereas the self-

employed is paying £5.10, only 70p more than the insured person. That is as a direct consequence of the points that he has made and I don't think that we should move to the position where the self-employed pays exactly the same as the insured person, I think he has got to make a slightly bigger contribution to the fund. Regarding the obligation to the Spanish workers, I have given a great deal of information myself and I am sure my Honourable Colleague, the present Minister for Labour, also has over the years in respect of that commitment. I wasn't referring to the frozen commitment, if you like, which exists in respect of Spanish workers who overnight were not allowed to come into Gibraltar back in 1969. I wasn't referring to that. The bill for that is a hefty one and I have made my views abundantly clear in the House on more than one occasion and in public as to who should pick up the bill in respect of that commitment. What I was referring to was the fact that if the frontier opens - is it on the 29th of October that it is going to open? What is that a Saturday or a Sunday? Then on the Monday, you could conceivably get a number of Spanish elderly persons applying for benefits at our Social Security offices and there is an undeniable commitment to those people in respect of pension rights which I think would be backdated 12 months. That is a reasonably hefty bill which I think we would have to meet and that bill, I forget what the figure is at the moment, but I think the information has been given in the House either at question time or the Honourable Member will look back over Hansards at this time of the year, I think it has been provided. If not, it can be provided because it is available. That is the extent of the obligation that I was referring to. The problem of the generations, of one generation having to meet the cost of benefits through its contributions for the previous generation. This is linked to the problem of lowering pensionable age to 60. This is why it would be so costly because you would have more pensioners and fewer people in employment, or fewer people contributing, and it is also linked to the point made by the Honourable Leader of the Opposition about the formula and about the fact that the benefits are now tax free and I think the question that he was posing could perhaps be summed up; "For how long can we afford to pay this?" Well, I don't know. It is a point, I think, that may have to be considered. I would be very reluctant, I think, personally, to see the whole thing being dismantled having regard to the fact that I had a small part to play in bringing the formula here, but we have to be careful of certain pitfalls. If Honourable Members consider the Employment Survey which is now before the House, they will see that average earnings for full time weekly paid employees have gone up considerably, probably, and almost certainly due to the fact that there have been very high levels of overtime in the dockyard. That presents a slightly distorted picture because those high levels of

overtime may not always be maintained and the point is whether in considering the level of average earnings applicable to a particular review, to what extent does the Minister for Labour and Social Security takes into account average earnings which are now very high and which in 6 month's time may actually go down and what should he do? Should he bring a level of benefits as required by the Ordinance to take account of that? I don't know, it is a problem. Fortunately on this occasion it hasn't happened but I am not sure that if the present high level of overtime is maintained at the dockyard over the next 6 or 9 months, whether that problem is not going to rear its ugly head in a year's time. It well might. The problem then is a diminishing labour force, fewer contributors and more pensioners. To what extent can contributors continue to meet their commitments? I don't think that we can increase contributions every year by as much as what it is proposed to do now, £1 for the employer and £1 for the insured person, I don't think we can do that. But, as I say, we are financing the scheme on a reasonably low level of contribution and I think it is a matter which is beginning to worry us in Government, I know that it is exercising the minds of the Labour Department, I am not indicating at this stage how the Government is thinking, I am just giving food for thought for Honourable Members who I know take a particular interest in this matter so that they will see that these are problems that we are going to have, perhaps, to watch out for in the future. I think I have covered most of the points, Mr Speaker, other than the ones made by the Honourable Mr Bossano, and oh, yes, I have left out EPP. I have been delegated by my Honourable absent Colleague to say, as he would have done no doubt were he here, and he takes a much stiffer hard line on this than I do, I have been delegated by him with authority to say, no.

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

HON A J CANEPA:

Sir, I have the honour to move in the terms of the motion in my name which is intended to amend the Employment Injuries Insurance Ordinance, and again, Sir, I would seek the leave of the House to dispense with having to read the motion.

MR SPEAKER:

Yes, most certainly you have got leave.

HON A J CANEPA:

Well, Sir, my contribution in moving this particular motion is much shorter, it is a much more straightforward matter. In effect, what we are seeking is to increase benefits under the

Employment Injuries Insurance Ordinance by about 12% in January, 1983, in line with the other increases in benefits. Injury benefits for a man with a dependent wife would thus go up from £37.17 pence to £41.58 pence per week, with additions for children. Gratuity on death resulting from an industrial accident would be increased from £8400 to £9400 and likewise for 100% disability a weekly pension of £33.25 pence instead of the present £29.75 pence. For the second consecutive year, Sir, it is not proposed to increase the weekly contributions under the Ordinance. They now stand at 16 pence, 8 pence each from the employer and the employee, and barring some major disaster at a place of work benefit expenditure will still fall well short of contribution income, let alone income from investments of the Employment Injuries Fund, which now stands at over £800,000. As from 1982, Mr Speaker, all disablement pensions which in the past remained at the rate prevailing at the time of the relevant accident, are being updated annually and it will be time in 1984, perhaps, to consider some small increase in contribution to meet the rising additional cost to the Fund. Sir, I commend the motion to the House.

HON A J HAYNES:

Sir, I would like to bring to the attention of the Minister that if a person who is eligible to a disablement gratuity is injured in say, the year 1977, then when the medical board come to decide on a percentage of disablement he is afforded the payable rate as per the year of his injury rather than as per the year when the percentage is assessed and similarly, Sir, if a person is injured and is assessed in the year 1977, and he comes back 10 years later because his injury has been exacerbated by any further matter again if he is given another percentage bonus so to speak, he is assessed as per the year of the injury and not as per the year of the assessment and this, Sir, though it means a saving for Government, obviously.

HON A J CANEPA:

Not for Government.

HON A J HAYNES:

It does, nevertheless, appear fairly harsh in so far as inflation has undermined the value of the pound and all indications seem to ensure that it will continue to do so and, perhaps, at least a compromise measure can be introduced by Government so that even if the initial degree of disablement percentage is quoted as per the year of the accident, an application for review on the basis of a worsening of the injury should be assessed as per the year when that worsening takes place.

HON A J CANEPA:

I am not sure what the position is under the Ordinance in that respect. I am sure that what is done by the Medical Board is obviously in consonance with the requirements of the Ordinance. What I am aware of is the philosophy behind the principle of a disablement gratuity as against a disablement pension, the option, in other words, that is given to the individual to opt for one or for the other. In the case of a disablement gratuity, it is a sum of money which can be invested in order to get a return by way of interest or which could be used by an individual to set himself up in business, and if this is invested then he would derive interest over the years which if accumulated will in fact maintain the value of the gratuity that he got in the first place. If he uses it to set himself up in business the profits derived from the business also stem directly from the fact that he got a gratuity. Whereas if the individual opts for a disablement pension, that pension cannot be frozen at the rate at which it was at the time when he was injured otherwise, 20 years later, it would have lost its value almost entirely and therefore it is kept under periodic review. That is the philosophy behind it. I am not sure, quite honestly, what happens in the circumstances that the Honourable Member has mentioned, where an injury is aggravated and an application is made for a re-assessment. I don't know, I would have to look into it and perhaps inform the Honourable Member as to what is the reason behind it.

HON A J HAYNES:

As I understand it, the position is as I have outlined it, Mr Speaker, and perhaps if the Minister corroborates this information, will he then do something?

HON A J CANEPA:

Yes, the principle in which that is based should be examined as to why is that the case, is it valid, and what should be done in the future. I think, again, it is something that can be gone into by the department.

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

HON A J CANEPA:

Finally, Mr Speaker, I have the honour to move in the terms of the motion standing in my name which seeks to amend the Non-Contributory Social Insurance Benefit and Unemployment Insurance Ordinance and again, I would seek the leave of the House to dispense with having to read it.

MR SPEAKER:

You have got the leave of the House, most certainly.

HON A J CANEPA:

Thank you, Sir. Sir, this is the third and last motion in this annual series and it deals with two benefits, really, Retirement Pension and Unemployment Benefits. Both are payable under this Ordinance although as Honourable Members are aware, the former, in other words, the Retirement Pension is based on the Consolidated Fund, due to transitional arrangements that were made at a time when the fund could not bear the cost of these pensions and the latter, in other words, unemployment benefits, from the Social Insurance Fund. With regard to Retirement Pension, the Order proposes an increase of £3.20 pence a week, from £26.30 to £29.50 for a single person, and of £4.80 a week, from £39.60 to £44.40 for a married couple. As I said, this is a transitional benefit, it dates from the time of introduction of old age pension back in 1955 and there are now only about 60 pensions in payment. I think when I first rose in this House, Mr Speaker, 9 years ago, to move the first review of the Social Insurance Scheme in my name, I think the number of such pensions was 130 something, so over 9 years we have about half. The extra cost of increases to the Consolidated Fund is estimated at £10,000 per annum of which £2,500 would be payable in the current financial year 1982/1983, in respect of the quarter of January - March, 1983. Some provision for this increase was made in the approved estimates so it is not anticipated that additional funds will be required and if so they would be minimal and we may not have to come to the House, it might be possible to viro from some other sub-head. In the case of unemployment benefits, Sir, the intention is to raise a basic weekly rate by just over 12%, from £24.30 to £27.30 per week, with increases of £13.50 for the wife and to £5.40 for children. Persons who qualify for the benefit but who have not been ordinarily resident in Gibraltar for at least 2 years since July 1970, receive much lower rates which are also being increased proportionately. In calculating the cost of this increase to the Social Insurance Fund, Sir, it has been assumed that the level of unemployment in 1983 will remain at about the same level as at present but I think I should sound on this occasion as well the warning, as I said previously in presenting my first motion, that a very considerable extra burden could be imposed on the Social Insurance Fund if there were to be serious unemployment. The drain on the fund could be serious and between increased expenditure and loss of contributions could come to over £1m a year. Also, Sir, once that additional number of unemployed persons had exhausted their 30 weeks unemployment benefit, many of them would become entitled to supplementary benefits

and the amount payable would then depend on the size of the family and whatever income there was in the household. It is therefore impossible to give an exact forecast of costs but at a rough estimate the Consolidated Fund could be faced with additional expenditure on these cash benefits alone of the order of £1m a year without having regard to the additional cost of such things as rent relief, loss of group practice medical contributions and so on. I mention all this, Mr Speaker, just to show the very disturbing prospect that could face Gibraltar in the future and which therefore makes it so vitally necessary to exercise the utmost circumspection in limiting increases on social benefits to the minimum compatible with justice on the one hand and on the other our financial resources. Sir, I commend the motion to the House.

Mr Speaker then proposed the question in the terms of the motion moved by the Honourable the Minister for Economic Development and Trade.

HON A J HAYNES:

Mr Speaker, just a very small point. As I understand it, the money we pay in by way of Social Insurance is what is used as a fund for this and we have, as the Minister has outlined, not only the problem of a different proportion as between those contributing and those benefiting which is the likely prospect for the future, but we also have the two further problems of a sudden run of the bank if and when the frontier opens and the Spaniards come to claim their rightful sums and furthermore, Mr Speaker, we have this other problem of an increase in unemployment which not only means we have fewer contributors but we also have a growth of contribution. In this respect, Mr Speaker, can the Minister state how much or what proportion of the contributions made on the weekly basis, say, of an average per man overall between employer and worker of £8. How much of that £8 is invested and how much of it is held on tap for immediate payment and furthermore is the invested sum increasing in a way which will take in the potential rough period of unemployment and the Spanish contributors, although we find that to meet those demands we will have to cut into the saving fund or the deposit fund.

HON A J CANEPA:

The Financial and Development Secretary, Mr Speaker, informs me that the position is reviewed every 6 months or so and some of the contribution income is invested in short-term securities and therefore they could be realised if necessary at reasonably short notice. The position is kept under constant review.

HON A J HAYNES:

If I may intervene, Mr Speaker. The matter of re-insurance of Government properties and so forth, these funds can they in any way be related to these other funds?

MR SPEAKER:

No. We must not get involved in this.

HON A J CANEPA:

It has nothing to do with the insurance of Government buildings what I can say is that the Social Insurance Fund is drawn upon by Government when it borrows. On some occasions part of the Fund is invested in Government debentures with the necessary safeguards that the return on those funds should be a reasonable return. In other words, Government does not take advantage of the Social Insurance Fund.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If I may intervene, Sir, on a point of justification. Last year, on the borrowing of the £14m bill we put about £1.25m in the Social Insurance Fund and we negotiated it on length with the Head of the Department a rate which was based on the UK rate at the time which I think was 12½%, which is high in today's terms.

HON A J HAYNES:

Mr Speaker, I am grateful for that. The point I am trying to make in relation to the re-insurance of Government properties is that as I understand it, it is common practice for pension funds and funds of this nature the saving aspect of the fund in property. Perhaps the Government could consider incorporating in their own re-insurance system the pension fund contribution as this may enable Government to eventually own buildings on behalf of pension funds. It may be an investment which uses the fund rather than taking it outside Gibraltar and may eventually lead to the kind of security that is required, I am not sure.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think, Mr Speaker, if I may intervene in this, the Honourable Member is thinking more of provident funds, where amounts are paid out, where you don't have a pension fund in a country but you have a provident fund in which the employer and employee pay over a period and then at the age of 55 or 60 or 45 or whatever, he draws a lump sum out and in provident funds they do invest in property but not in the type of fund that we have here.

HON A J CANEPA:

I commend the motion to the House.

Mr Speaker then put the question in the terms of the motion moved by the Honourable the Minister for Economic Development and Trade which was resolved in the affirmative and the motion was accordingly passed.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I beg to move the motion standing in my name in the following terms. Be it resolved that the House of Assembly do approve the giving by the Governor of the following Notice.

MR SPEAKER:

I think we can dispense with that since the motion was circulated with the agenda.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Well, the only point on that, Sir, is that in 1(1) it should read: "this notice may be cited as the Licensing and Fees (Amendment and Schedule)(No.2) Notice 1982". We have had one this year and I am afraid this was overlooked when we gave drafting instructions. I apologise to the House.

MR SPEAKER:

Well before you move you can amend and that will be alright.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I propose that we amend it.

MR SPEAKER:

You can because you haven't moved the motion yet.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, the fees payable by traders for the services of customs staff outside normal hours of business were last revised and increased in November, 1979. It presently stands at £5 per officer per hour subject to a minimum charge of £15 per officer on Sundays and Public Holidays and £10 per officer on any other day. Pay Awards since they were last changed in November, 1979, have increased salaries by some 35% and it has once more become necessary to adjust the level of the fees. It is proposed that with effect from the 1st November, 1982, the new fee should be £7 per officer per hour

with a minimum charge of £20 per officer on Sundays and Public Holidays and £13.50 on any other day. Those amounts are basically 35% but rounded to the nearest 50p. When the fees were last revised it was agreed with the Chamber of Commerce that the present fee would remain unchanged for a period of not less than one year and I now give a similar assurance in respect of the new fees. Mr Speaker, the fees payable for the services of the Customs Staff outside normal hours of business are specified under Item 8 in Part II of the Second Schedule to the Licensing and Fees Ordinance and the Schedule may be amended or added to by Notice given by the Governor in the Gazette with the prior approval of the House. I beg to move that the House now resolves in the terms of the resolution.

MR SPEAKER:

I understand then that you want to call it the Notice (No.2) of 1982, is that right?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

That is right.

Mr Speaker then proposed the question in the terms of the motion moved by the Financial and Development Secretary.

HON P J ISOLA:

I am grateful for the assurance the Financial and Development Secretary has given but has he by any chance had any consultations with the Chamber of Commerce on these fees. It just seems to me that with the crisis that we are at present going through, is it wise to increase these fees as sharply as they are being increased?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am afraid I have only just returned from leave and as far as I am aware there has been no consultation with the Chamber of Commerce, we have merely kept our word that we would not increase them for one year, and we have not increased them for three years. It does look a sharp rise but it is a rise over 3 years and in fact it doesn't quite meet the cost to the Government of the work of the officer because if you take into account the amount which is paid the officer in salary, the cost of keeping him in uniform clothing, his pension rights and the like, you are only in fact paying the marginal costs, i.e. the cost per hour of that officer so that although it does look quite a large increase it is the first one for three years and I think it is justified if we are to keep our fees for services by Government officers consonant with the

costs. As I say, I have given the undertaking that they will not be changed within the year and of course it is open to traders not to use these services if they do not want them. In effect they are only called on when it is absolutely vital for a trader to call the customs staff in after normal hours.

Mr Speaker then put the question in the terms of the motion moved by the Honourable the Financial and Development Secretary which was resolved in the affirmative and the motion was accordingly passed.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I beg to move the motion standing in my name in the Order Paper in the terms circulated. The Mediterranean Hotel was originally designed and built as a hotel and as such had only one main potable water meter. As the House is aware, the hotel has since been converted to 38 residential flats and the company installed 38 sub-meters to service each of the flats. The supply of water to the premises, however, continued to be billed on the existing main meter at the hotel rate which is of course the commercial rate. The company which administers the property and the residents in the flats have made representations to the Government submitting that the water supplied to flats in the premises should be charged at the domestic consumer rate which is lower than the commercial rate and that the billing should be calculated on the consumption of each sub-meter. The House may recall, Sir, that a similar concession was agreed by the Government in March, 1977, for Ocean Heights. The main points of the agreement are 1. The company will charge each apartment tenant the same water rate that the Government itself would have charged them had they been supplied direct through a mains meter; 2. The company will supply the Government monthly with a certified list showing the actual consumption by each apartment tenant; 3. The company will pay the Government in a single payment for all consumption calculated in accordance with the list and by reference of the total consumption of the whole building is recorded by the main meter; 4. The company will give the Government facilities at all reasonable times to check the lists; and 5. If there is a difference between the aggregate of the sub-meter reading and the reading of the main meter, the company will accept responsibility for payment in accordance with the readings of the main meter. Paragraph 2 of the Fourth Schedule to the Public Health Ordinance stipulates that any agreement so made should be tabled before the House of Assembly and that a resolution should be moved at the same meeting for the formal ratification of the agreement. The Government considers, Sir, that the arrangements will ensure that there will be full payment of all water supplied to the flats in the former hotel and that the tenants will pay for the water consumed as if it were supplied direct from the main meter. I commend the motion to the House.

Mr Speaker proposed the question in the terms of the Honourable the Financial and Development Secretary's motion which was resolved in the affirmative and the motion was accordingly passed.

The House recessed at 7.25 p.m.

WEDNESDAY 13TH OCTOBER, 1982

The House resumed at 10.35 a.m.

MR SPEAKER:

Before we proceed with the Order of the Day, I understand that the Honourable Financial and Development Secretary wishes to make a short statement.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Thank you very much, Mr Speaker, I am most grateful. Yesterday afternoon during the course of the motion on the Licensing and Fees (Amendment) (No.2) Schedule relating to the fees payable for the use of Customs Officers outside normal hours, the Honourable and Learned Leader of the Opposition enquired whether the Chamber of Commerce had been consulted about the increase and I was unable to answer. I had a word this morning with the Collector of Customs who reminded me that when we negotiated the fees in 1979 which was passed by the House in November, 1979, we reached an agreement with the Chamber of Commerce that any increases in fees would be linked to salary increases because the Government would not increase them more than once a year and of course it is 3 years since we increased them and we have increased them pro rata to salary increases so there was in fact no need on this occasion to consult the Chamber of Commerce. Thank you, Sir.

BILLS

FIRST AND SECOND READING

The Specified Offices (Salaries and Allowances) (Amendment) Ordinance, 1982.

HON CHIEF MINISTER:

Mr Speaker, I have the honour to move that a Bill for an Ordinance to amend the Specified Offices (Salaries and Allowances) Ordinance, 1979 (No.18 of 1979) be read a first time.

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 have the honour to move that the Bill be now read a second time. As the House is no doubt aware, Section 68 of the Constitution provides that any change in the salaries of servants in Specified Offices be prescribed by an Ordinance of the House of Assembly. I am told, incidentally, from the experience of my Honourable Friend the Financial and Development Secretary of many other territories, that normally this is done by an Order but the Constitution in our case says that it should be done by an Ordinance so we are doing it by an Ordinance as we have done in the past. The Offices concerned are those of Governor, Chief Justice, Deputy Governor, Attorney-General, Financial and Development Secretary, Principal Auditor and Commissioner of Police. The salaries and in certain cases the allowances payable to these officers are charges on the Consolidated Fund and are contained in the Specified Offices (Salaries and Allowances) Ordinance, 1979. As Members might recall, the Ordinance was last amended in 1980 to provide for these officers in respect of the salaries review agreed for all Government employees on the 1st July of that year. The salaries review for the senior grade for 1981 and therefore for 1982 is still the subject of negotiations with the IPCS, the Staff Association holding negotiating rights for the majority of the senior grades. Pending the final outcome of the negotiations an interim payment was agreed upon a few months ago in respect of the salary review on 1st July, 1981. The object of the Bill now before this House is to enable the Specified Officers to receive this interim payment in common with the other senior grades. The 1982 salaries will be covered by a subsequent Bill. However, since the preparation of this Bill, there is one particular salary, that is that of the Governor, which ought to be revised as from the 1st July, 1982, because he is not the subject of negotiation amongst the senior grades and, indeed, the salary of the Governor as from the 1st of July, 1982, which has been agreed as £20,000 instead of £18,000 and £3,600 instead of £3,000 allowance, was cleared by myself with the Leader of the Opposition and Mr Bossano as we always like to make this not the subject of controversy. I will be bringing an amendment to cover this salary for 1982 as I wouldn't like the new Governor to arrive in Gibraltar and find, not that he is going to be very concerned, that the salary that he was indicated would not be payable until another Bill was passed, so in respect of that one I shall be moving an amendment to cover the increased salary as from the 1st July. Sir, I commend the Bill to the House.

MR SPEAKER:

Before I commend the Bill 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 support the Bill. We are a little concerned, however, that the negotiations for senior civil servants seem to be taking this inordinate time. I would have thought that senior civil servants by the very nature of their office would be able to come to an agreement in a much shorter time. What is holding up such an agreement? It seems to me incredible that 1982, October, the salaries up to July 1st, 1981, have not yet been agreed. Is it that salaries presently being drawn by senior civil servants is sufficient for them and therefore they are not in a hurry for settlement, they can afford to wait? This, to me, is quite extraordinary. I would have thought that negotiations of this nature would have been finished by now. But, anyway, Sir, this is not really the subject matter of the Bill. We support the provisions of this Bill.

HON CHIEF MINISTER:

I would like to answer that and I am grateful to the Leader of the Opposition for raising that matter because it is a very pertinent one particularly having regard to my remarks that the Bill now, in order not to make it controversial, can be passed because there has been an interim award for last year which was to be a standard award to all other grades. The difficulty about the senior grades is that a review at the request of the IPCS who hold the negotiating rights, a review was made by two experienced people from the United Kingdom and the report was made but there are ongoing negotiations about the grades by the Establishment with the relevant Unions with the negotiating rights. The reason why, if I may say so quite clearly, why there has not been another interim award this year which would have been able to make it possible to bring the whole of the Ordinance up to date is because we feel that this interim award protracts the negotiations because since they are getting the minimum anyhow, there is very little urge to try and bring about a final settlement. But the difficulty, I understand, is that though the union has negotiating rights for the whole of the spectrum, within the spectrum there are individuals that have got different claims in respect of themselves, and it is terribly difficult, no doubt for the union to be able to present a united view as between individuals in the grade. In fact, at some stage I understand that it was suggested that the individuals should make representations to those who did the staff inspection and present their case. Well, that would be rather odd, because in that case the union would be washing its hands of its responsibility to represent them all and putting them on to those who make the award or the speculation. I think a lot of progress has been made, unfortunately it has not been finalised, certainly not due to any delay on the part of the

Government but on the fact that it is rather a complicated problem even though the numbers of people involved are not very large, because within those grades there are competing claims as to those who think should be a little higher and those who think that they have been put too low and those who think that there are others who have been put too high. That is a problem.

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, if there is no objection I would like that the Committee Stage and Third Reading of this Bill be taken at a later stage in the meeting.

This was agreed to.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, for the record, let it be noted that the Attorney-General and myself have an interest in the Bill and therefore we abstain on the vote.

The Landlord and Tenant (Temporary Requirements as to Notice) (Amendment) (No. 2) Ordinance, 1982.

HON ATTORNEY-GENERAL

Sir, I have the honour to move that a Bill for an Ordinance to amend the Landlord and Tenants (Temporary Requirements as to Notice) Ordinance 1981 (No. 16 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 ATTORNEY-GENERAL:

Sir, I have the honour to move that the Bill be read a second time. Members will recall that in 1981 an Ordinance was passed, The Landlord and Tenant (Temporary Requirements as to Notice) Ordinance to suspend the affect of any notice to quit or notice to increase rents in respect of a tenancy for a given period and it became necessary earlier this year because the Select Committee was considering the subject of rentals and the protection of rents, to extend the date to the 30th November of this year. As all Honourable Members I think know the Select Committee is still conducting its deliberations and the Government therefore considers it appropriate,

pending the completion of those deliberations, to propose that the freeze, if I can call it that, be extended one more time, namely, until the 31st day of March, 1983. Sir, the effect of this Bill would be to extend the freeze accordingly.

MR SPEAKER:

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

HON P J ISOLA:

Yes, Mr Speaker. I am sure the Select Committee must be aware of the need to complete their deliberations because the delay in the production of a new Ordinance must necessarily, I believe, affect any development in Gibraltar, affect plans anybody may have for development in Gibraltar and, generally, stultify that sector of the economy. I appreciate it is a very, very difficult subject to come to conclusions on but nevertheless the freeze has now gone on for over a year and I think we should try and get some conclusions out by the next meeting of the House. Having said that, Mr Speaker, I think that the Committee should be given the Section of the economic diversification study report that dealt with the effects, or possible effects, on development of rent restrictions as such, or rent control. It seems to me that the report in question did indicate that with regard to the diversification of the economy and I am talking just in general terms because I appreciate it is a confidential report and therefore in general terms, it did indicate that the legislation was important when connected with development. I won't say more than that. I think that that particular section might be given to the Select Committee so that they can, if possible, look at their problems, and I know there are many, and add this one to them so that we can have a comprehensive report on the matter.

HON M K FEATHERSTONE:

Sir, I take the points raised by the Honourable Leader of the Opposition but I would comment that I do not think there has been any delay in the deliberations of the Select Committee. We started work almost as soon as we were set up in November last year. We have met, apart from the summer recess, practically every week. I don't want to pre-judge what the Select Committee is going to say but I can, I think, say at the moment that we have seen 39 separate entities who wanted to give evidence before us, we have had some 700 pages of evidence. This is quite a time consuming matter, some entities came to see us on 2 or 3 occasions and we felt that they all had to be given a fair chance to explain their views and of course it did take up a considerable time. The

position at the moment is, I would think, good. We are at the moment working on the draft report and the Honourable the Attorney-General from that draft report will be working on the new draft Bill. We would hope it will be presented to this House at a meeting which I think may be scheduled for some time in January. As I said there is, as far as the Select Committee is concerned, no specific delay, we are getting on with the job, we are meeting practically every week. The only time that we have not met, and we did meet occasionally during that time, was during the summer recess when one or two members happened to be away and we didn't think it was fair to pursue our investigations with half the committee absent.

HON CHIEF MINISTER:

Mr Speaker, I don't recall that part of the report which of course I gave a copy on a confidential basis to the Leader of the Opposition, but if he thinks that it is of any help to the committee, I am prepared to ask the Chairman to release the information contained therein without releasing the report. If that is going to be of any help to the committee I will, on the understanding that the confidentiality is kept, for obvious reasons, there should be no difficulty of on the basis of that, for the Chairman to release that part of the information to the committee.

HON ATTORNEY-GENERAL:

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, possibly if it is agreed, today.

This was agreed to.

THE ELDERLY PERSONS (NON-CONTRIBUTORY) PENSIONS (AMENDMENT) ORDINANCE, 1982.

HON A J CANEPA:

Mr Speaker, I have the honour to move, in the absence of the Minister for Education and Labour and Social Security, that a Bill for an Ordinance to amend the Elderly persons Non-Contributory Pensions Ordinance, 1973 (No.27 of 1973) be read a first time.

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

SECOND READING.

HON A J CANEPA:

Sir, I have the honour to move that the Bill be now read a second time. Sir, the object of this Bill is to increase the rate of the weekly Elderly Persons Pension from £12.50 for a single person to £14 for a single person, in January 1983. The increases Mr Speaker, is of the order of 12%, and if you take into account that for a couple the pension received would be £28 a week, the relationship that has tended to exist over the years with in particular Old Age Pension is being maintained whereby the Department has always tried to ensure that what a couple are receiving as I say in this case £28, will be slightly more than half what a couple receives under the Old Age Pension. 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:

Mr Speaker, other than the more obvious Income Tax amendment which will be proposed from our side of the House at Committee Stage, on a general point it seems to me that as years go on, although the percentage is applied, or a similar percentage is applied to the EPP as is applied to the Old Age Pension, it seems to me that the disparity in cash terms becomes increasingly larger as the years wear on and I wonder whether Government has taken notice of this and bring the cash level of the EPP commensurate with some other form of relativity which would be more meaningful in cash value to the recipients.

MR SPEAKER:

Are there any other contributors? Well, then perhaps the Minister will reply.

HON A J CANEPA:

Mr Speaker, it was in fact in 1978 that the policy decision was taken that a couple in receipt of EPP should receive slightly more than half what a couple in receipt of Old Age Pension get because whereas in 1978 the Elderly Persons Pension was £5 a week, which is £10 for a couple, and a couple in receipt of Old Age Pension were getting £22.50, which was rather more than double, the situation was changed fairly dramatically at the beginning of 1979, at a time when the Old Age Pension increased by 33½% to £30 a week for a couple whereas the Elderly Persons Pension was increased by 60%, from £5 a week to £8 a week thereby providing a level

of £16 a week for a couple and since then that relativity has been broadly maintained. Other aspects of taxation may arise but the fact is that if what was done between 1978/1979 were to be done at every review, then in 5 years the Elderly Persons Pension would pretty well reach the level of the Old Age Pension and people who have not contributed over the years to the Fund, would from the Consolidated Fund be getting pretty well the same level of pension as those who have contributed. That in the view of the Government is manifestly unfair and has perhaps been up to a point the crux to the whole controversy that we have had over the years.

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

The following Honourable Members abstained:

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

The following Honourable Members were absent from the Chamber:

The Hon J Bossano
The Hon Major F J Dellipiani

The Bill was read a second time.

HON A J CANEPA:

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

This was agreed to.

THE PRISON (AMENDMENT) ORDINANCE, 1982

HON A J CANEPA:

Sir, again in the absence of the Honourable Minister, I have the honour to move that a Bill for an Ordinance to amend the Prison Ordinance (Chapter 129) 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:

Sir, I have the honour to move that the Bill be now read a second time. Mr Speaker, our current law provides for prisoners who are serving terms of imprisonment to be released after the expiry of two thirds of the sentence provided that no such reduction shall reduce the time in prison to less than 31 days. In 1980, a suggestion made by the Governors of the United Kingdom Prisons that remission should also be extended to prisoners serving very short sentences, was accepted in principle by the Home Secretary and an Order was laid before Parliament amending the relevant rule. This rule is, in fact, similar to our Section 35 of Chapter 129. It allowed remission for good behaviour to persons sentenced to a term of imprisonment of more than 5 days. This came into force on the 23rd February, 1981, a date which is not without due significance elsewhere. The Superintendent of Prison in Gibraltar feels that our legislation should also be brought into line with that in the United Kingdom in this connection as he considers that it would help not only to reduce in particular the prison population by releasing very short termers such as habitual drunkards; persons convicted of very minor offences, if they were to be of good behaviour whilst in prison. Mr Speaker, the Chief Justice, the Attorney-General, the Chairman of both the Prison and the Parole Boards who have been consulted, support the amendment and I have the honour to commend it 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 A J HAYNES:

Mr Speaker, on the question of the prison, I would note that though provision here is made for a shorter term of prison sentence, nothing has been provided in this Bill for the remand prisoners and the conditions of the remand prisoners are not satisfactory. Government accepted this was the case as long ago, I think, as October last year, and still nothing has been done to improve their situation. Whilst I have no quarrel with this particular amendment, I don't feel that it goes far enough, Mr Speaker. I think we should have before us a greater commitment from Government towards the prison of Gibraltar. I have on another occasion, as I am sure Honourable Members will remember, said that the prisoners are sitting on a piece of prime real estate. The Moorish Castle could be

developed, as I said, not only are the prisoners sitting on a piece of prime real estate but similarly they are being treated in not the best fashion especially remand prisoners who have no facilities. The importance, particularly, Mr Speaker is that if a man is to be sentenced for a long period of time and no facilities are given, no training, the chances of rehabilitating him are slim. This Bill which proposes simply to reduce the time in certain cases does not go far enough, it does not understand the problems which the prisoners in Gibraltar face today. I would suggest that the prison today is not fit for a sentence in excess of two years and nevertheless there are prisoners of fairly long term duration and the Government, whilst making this reduction, is not bringing the other circumstances into line. We have also heard, Mr Speaker, that when the Government have tried to commission the building of a new prison they asked specifically that the figures be conservative or realistic and they were given a £4m project. That seems to be more than the Government are prepared to spend and we can obviously understand such a thing where there is very little money to spend £4m in a prison but we on this side of the House have asked for money to be allocated to building a new prison. I think it will be saving money in the long term if we can do something to mitigate and prevent crime at a future date through rehabilitation. If we can release to tourism and development the Moorish Castle Estate,

MR SPEAKER:

Yes, but let us not expand the orbit of the general principles of the particular Bill that we are talking about.

HON A J HAYNES:

Mr Speaker, what I am trying to say is that this amendment doesn't go anywhere near far enough.

MR SPEAKER:

Fair enough, then give the reasons why.

HON A J HAYNES:

The reason why, as I said, Mr Speaker, is that it doesn't do anything to improve the conditions at the prison, and that is what had to be undertaken, or the prison as a whole.

HON CHIEF MINISTER:

I should have thought, Mr Speaker, that the conditions at the prison are greatly improved by those who benefit from a bigger portion of remission by leaving the prison earlier, those are

enjoying a benefit not being in prison but what the Honourable Member has said has nothing whatever to do with the matter before the House. The remission now only takes place if the sentence is over 6 weeks I think, otherwise you get no remission, and what is intended is that any sentence above 5 days gets a remission and in fact maximum remission is one third of the sentence. With regard to those who are awaiting trial, remand prisoners, if they are convicted, apart from whether there are good conditions or not which is not the subject of the Bill, if they are convicted and they are sentenced to prison, the full amount of time that they have been waiting for trial is taken into account, not just a third, and then of course what remains of that, one third of it, they get remission but in addition to that we have the Parole Board, and the Parole Board which is a board of independent people, look at the prisoners' records after a minimum amount of time and remit either one third of the sentence or I think 18 months, after that you are eligible for parole. Of course, the prisons have never been fit for long sentences and in fact any longer sentence except for the last 3 or 4 years when sentences have been given of up to 4 and 5 years those sentences that have been given for 6 years, have been reduced by the Court of Appeal. Those prisoners who have been sentenced for longer periods, arrangements have been made for them to spend their time away from Gibraltar in a more fit place. The question of prison reforming is a matter of priority like everything else. If we had £4m available, I think that if we devoted it to a new prison and not to housing one would be under very great pressure to say why devote £4m to a prison and allow people to be living in substandard houses as is so evident in some respects. The views which were given by my Honourable Friend with regard to the repairs that have to be carried out to the prison in order to improve conditions until such time as we are in a position to build a new prison, will be done in such a way that they will be phased in order of priorities and the Government will then be able to decide how much money each year can be devoted to that because if we get a proposal for improvement to the prison costing say, three quarters of a million pounds and we can't afford to do that in one year, if it is done on a basis of a programme we would deal with priorities and devote whatever money can be devoted according to the state of the finances and the priorities of other claims and gradually, eventually, get better conditions. I think what the physical conditions of the prison lacks is made up to some extent by what I consider to be the excellent and human service given by the prison officers.

MR SPEAKER:

Are there any other contributors? Does the Minister wish to reply?

HON A J CANEPA:

No thanks.

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

HON A J CANEPA:

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

This was agreed to.

THE EDUCATION (AMENDMENT) ORDINANCE, 1982.

HON M K FEATHERSTONE:

Sir, in the absence of the Honourable Minister, it falls on me to propose this Bill. I therefore, Sir, have the honour to move that a Bill for an Ordinance to amend the Education Ordinance (No. 11 of 1974) 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, the main feature of this Bill is contained in Clause 2(c) which allow the new regulations to be promulgated which will deal with independent schools and in particular we are thinking of nursery schools. Sir, the present standards to which the premises of nursery schools registered with the Department of Education should conform are contained in the rules for the standards for nursery schools premises 1965. During the latter part of 1980, the 18 nursery schools then registered with the Department of Education were inspected by appropriate representatives of the Department of Education, Medical and Health Services and the City Fire Brigade, under Section 75 of the Education Ordinance. In the course of these inspections, it became clear that a number of private nursery schools were contravening the more precisely defined criteria set out in the 1965 rules and/or were operating with regard to accommodation or otherwise in a manner which was unacceptable to the Director of Education in relation to the more general and substantive criteria of the rules. Some of the nursery schools were also criticised by the Medical and Health Services and also by the City Fire Brigade in relation to

environmental health criteria and fire precaution requirements, respectively. It is felt there is clearly a need, Sir, (a) to update and make more precise the criteria in the 1965 rules relating to premises, particularly in the light of more recent regulations relating to fire precaution measures and environmental health; (b) to provide for more appropriate and precise minimum statutory regulations relating to admission and the child adult ratio within the nursery school playgroup; and (c), Sir, to provide guidelines on appropriate educational and social programmes of work which can be undertaken in these nursery schools or playgroups. The proposed new criteria for inclusion in any new regulations were first considered by Government early in 1980 and the proposed nursery school regulations, 1982, represent the outcome of these considerations. These new regulations when promulgated will bring our standards for the establishment and control of nursery schools into line with those in the UK. Particular consideration is being given to space requirements, washing and sanitary facilities, drinking facilities, ventilation, lighting, fire precautionary measures, fire drills and equipment, manning levels and admission arrangements in an attempt to update and improve the standards, generally, with a view to closer control of nursery schools in the future, particularly those in the private sector. The two Government nursery schools already conform to the new regulations. Existing private nursery schools will be given one year from the date of promulgation of the Education Amendment Bill to meet the requirements of the new regulations. Sir, I must emphasise that our current nursery schools do a good job, a very good job indeed, and it is a known fact that children who have passed through nursery schools enter into the Government schools with a considerable advantage over those children who do not. The Regulations Sir, will not be draconian but they are based on the safety and on the good benefits for the children. Most schools, Sir, do meet most of the regulations that will be promulgated but there is a need to see that all regulations should be complied with. One of the features of the regulations may mean, Sir, that in certain schools the numbers which today are considered to be rather high on a pupil/teacher ratio, will have to be changed and this might mean that in certain circumstances the numbers taken into the schools will have to be reduced. This will to some extent throw a number of children out of the possibility of those schools but other schools can be set up and there will be no difficulty in granting permission to new nursery schools as long as they meet the regulations. We do not think, Sir, that great hardship will be caused to the people who run these nursery schools and we feel sure that they themselves will be happy to see that they are actually falling in with required standards both in health and in fire protection. The new regulations, Sir, will be promulgated before the end of this

month so that the one year will be a year all but two or three days and if anybody goes over the year by a few odd days I don't think we will be sticky. I, therefore, Sir, 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 T LODDO:

Mr Speaker, we of course agree with anything that goes along to put nursery education on a sound footing and on an acceptable footing. Mr Speaker, although the Government have been considering this since 1980, to me it is completely new and I think that perhaps we could take just slightly slower and not go through the whole procedure of the Bill today. There might be people who would like to make representations to Government or Opposition and I am a bit worried that we seem to be belting along with all our legislation and there is a whole pile to go through. I would be far happier if we were given a bit more time to really digest this important piece of legislation. Other than with that reservation, we are quite happy to go along with it.

HON MAJOR R. J. PELIZA:

Mr Speaker, I would like to support my colleague in this matter. It is perhaps a much more important matter than perhaps we sometimes realise in this House, the importance of having good nursery schools. I think that his statement is a very valid one. For the first time people in Gibraltar, and particularly mothers, who are very much dependent on nurseries to carry on either work privately outside the home or just to carry out the burdens of a mother at home, it is very important to have nurseries. I think they should know something about this in case they want to make some representations to the Government or to ourselves on this matter, and as it has been waiting so long, nearly two years under consideration by the Government, extending the time a little further could do no harm at all and I think it is only fair that we should do it. I can't think that there is a hurry in any other sense because as far as I know there has been no epidemic because the conditions of the nurseries have been such that they are not satisfactory, so whilst one welcomes the raising of the standards of the nurseries in Gibraltar, I think one should also take into account the hardship that it could cause if some of those nurseries were suddenly to close because they just couldn't manage or because in the particular district where that nursery is there is no way of finding another place or another person who would be interested in

having a nursery. There are the complications of taking the young child to the nursery and bringing him back, that is a problem, I know by experience, so I don't think we ought to rush into this. I think it would be very welcome to raise the standards and I think mothers generally in Gibraltar would welcome that very much but like everything else it has got to have a balance and I hope the Minister will take note of this, that we should give the matter a bit more time to work it out. I would like to have in more concrete terms not just that it would not affect the existing nurseries and how many of them comply with the standards that are going to be set and how many of them could survive if the standards were applied. I would like to know in terms of facts and figures what the position is and not generalise and say; "Well, most of them will be able to complete and if they don't do it within the year, perhaps we will allow them a couple of more months to do it and it will be alright". Another thing is, how much is this going to increase the cost? This is another factor that we have got to take into account. I also would like to know what is the policy of the Government nurseries, for instance. Who are admitted and how are children admitted into Government nurseries. Is it just for working mothers and nobody else? Is any priority given to any particular people like civil servants, or teachers, for instance? These are matters that I think need going into and I when the Minister replies, would like to know what is the criteria used for admittance into Government nurseries. Are there plenty of vacancies there, or is it very difficult to get in? How much do they pay in Government nurseries, if at all, and how much have they got to pay outside? All these matters I think are very serious matters, and we of course don't realise it because perhaps we are very remote from the small or big young family in Gibraltar but I am sure that it is a matter that needs a lot of consideration, it is a matter that should be put out to public debate so that mothers themselves can make representations and this is why I think we should give more time to this Bill and I hope the Minister will accede to that.

HON ATTORNEY-GENERAL:

Mr Speaker, I wonder if I may explain something which I think will help the Opposition on the point that is concerning them. When these proposals were first submitted for drafting, the proposals were to prepare regulations and the regulations were to provide for approval of the schools and the various conditions which would be required to be satisfied before approval could be given. When I looked at it, I realised that the Ordinance itself already had the system of approval of schools. The Education Ordinance contained the system, it had already been enacted and it seemed to me, therefore, that the regulations had to be reframed to take that into account. At the same time I felt that the Ordinance should make it quite

clear that regulations could supplement the requirements for approval by prescribing additional conditions and, basically, that is what these regulations will be doing. The reason I mention this is that I had myself seen the Ordinance as such as really rather a technical provision, not really introducing anything new in principle unless the Opposition were to take the view that to be able to prescribe conditions in regulations, to take the view that at that level of generality that that is objectionable on principle. Well, they may see it that way or they may not but if they don't think that that in itself is anything more than a machinery provision, then I think that the points which have been made about the need for consideration are points which are really to my mind addressed to the content of the regulations rather than to this amendment which in my view is technical. Of course, the Bill itself does make a more substantive change.

HON MAJOR R J PELIZA:

If the Honourable Member will give way. Alright, they did exist but nothing was being done, it was a dead letter and as long as it remains a dead letter, there can be no convulsion if suddenly this is going to be applied, it is indicated in the Ordinance that in a year it is going to be applied, that means that the regulations are going to become effective and they will have some effect generally, and it is the effect that we are very conscious of and this is why I say give time, and perhaps in the light of the representations that are made it might be necessary, it might be a good idea to change the regulations, this is what I am trying to say, this is what I meant.

HON ATTORNEY-GENERAL:

Yes, I understand the point Mr Speaker, and of course it is the intention to promulgate regulations but my point was simply that the content of those regulations, the substance of them, seems to me to be more a matter for the regulations. I realise this is the opportunity to comment on them but nevertheless it does seem to me to be quite a technical Bill except of course that on a completely different issue it also increases penalties and it does also contain a substantive provision, I agree, an additional provision, to direct schools to come into line with new standards.

HON P J ISOLA:

Mr Speaker, having heard the Attorney-General, I still agree entirely with what has been said on this side of the House by my Honourable Friend Mr Loddio and my Honourable and Gallant Friend and fellow grandfather. Mr Speaker, Government does not accept any responsibility for nursery education, and I

believe it has one or two nursery schools and on principle it seems to me wrong that they should seek to control private education, paid for by parents and to private institutions, in a manner that it is proposed now. In other words, to give the Director of Education complete power to decide how a nursery school should be run, what standard it should adopt, it doesn't matter about the cost the Government is not paying, and I wonder if the same criterion is applied by the Government itself to its own educational policy because we have seen for the last 3 years a very real decline in Government expenditure on education and the same Director of Education, through the Minister, has told the House; "Oh, no, there is no decline in standards, it is no longer necessary to have more students for this. We don't need as many books as we had in the last year". And we know that there has been inflation of 10% or 15% in the last 3 years and we would have expected a similar rise in the vote for books and equipment and there wasn't, it stayed the same figure. But, of course, there the Director of Education, because it was public money involved, chose to say it was alright. Now when it is somebody else's money, he is going to be given full powers to decide how that someone else should run their school. It is a matter of principle. I don't disagree and in fact we agree with the Bill in the sense that we agree that nursery schools should meet certain standards. What we don't agree is that regulations should be promulgated by the Director of Education or the Government without consultation with the people who are going to pay. We think that the nursery schools should be brought in by the Director of Education. He shouldn't be allowed to be a little dictator who says; "You either do this or else I close your school". I think there is a question of Government standards here and that is why we don't think that the Committee Stage should be taken, not because of the technicalities but because this Ordinance enables the Director of Education precisely to change the conditions, prescribe new conditions, whatever they may be, whatever the costs, whatever the desirability or otherwise, whatever the regard to the circumstances of Gibraltar are concerned and change them and that is it. And we think that since the Government is not paying for nursery education, and some people think that Government should have that responsibility and I must say that I do not myself subscribe to that view not because it would not be a desirable objective but because I believe that since the funds available to Government for education are not unlimited, there are better ways to spending monies available for education than in taking the huge commitment of nursery education. But Government cannot then say; "Alright, you do it privately and you jolly well do everything I want no matter what the cost", when I myself look at the question of costs when I am deciding how much money I am going to give to education. I am not saying that is going to happen, Mr Speaker, but what I am saying is that since it is private education and

since certain standards I agree have to be met in private education, nevertheless, whenever possible, it should be done in consultation with those who pay for private education. I also have grandchildren in a nursery, Mr Speaker, and I know the cost of a nursery school and, frankly, I am surprised at the low cost of nursery education in Gibraltar. I am very surprised. In fact, it is cheaper to put a child into a nursery much cheaper, than to employ, for example, an au pair girl to take him out in a little buggy. It is cheaper in fact, nursery education in Gibraltar is quite cheap and I would have thought that it may be possible by agreement, prices to be increased, facilities to be provided, but I do think, Mr Speaker, that as a matter of principle we should not allow the Director of Education to exercise his powers under this Ordinance in an absolute fashion, there should be consultation. We have heard about regulations, these regulations in my view should be discussed by the Director with those concerned in the education and then if they come to an agreement it is fine with us. If they have a point of view to put why should they have to first of all fight the regulations passed, directives given to them which they feel they cannot comply with for one reason or another, and then they have to have the uphill struggle of trying to get the regulations changed. I think the principle must be of consultation and as far as we are concerned we support the Bill, we want educational requirements to be set down in nursery schools as, indeed, in Government schools and everywhere else but they are going into an area that the Government is not paying for so let them consult those people involved. Parents may wish to be consulted, as my Honourable and Gallant Friend here said, it is very convenient to be able to send a child only 100 yards to a nursery school than having to send him that much further and sometimes in some cases it is impossible. Let the Director of Education, Mr Speaker, and I am sure Honourable Members will agree, spend a little time discussing with the people involved the sort of regulations he would like to see in nursery schools. Let him explain to them nicely, for example, what are the standards of nursery schools in England and explain his reasons for it rather than just promulgating legislation, promulgating regulations and giving directives. Mr Speaker, for those reasons we feel that this is the sort of Bill that should follow the usual practice and be left for a Committee Stage for the next meeting because we must also remember, Mr Speaker, that the Bill itself was only given to us I think it was about 8 days before the meeting and obviously hardly gives anybody time who wishes to make representations on it to give it and since there is a matter of principle involved in this Bill, we would not agree to take the Committee Stage of the Bill later on in this meeting.

MR SPEAKER:

Are there any other contributors?

HON A J CANEPA:

Anyone would think, hearing some of the Members opposite, that the Government was introducing a piece of legislation in a draconian fashion, requiring people to meet the requirements of the regulations almost overnight. No one has stated the fact that they are going to be given at least 12 months. But I agree with the principle of consultation on this matter, some of the people concerned have been running nurseries for very many years and it may not be possible even in a period of 12 months for some of them to conform and I know that it is the wish of Council of Ministers, because we discussed this, that every facility should be given and every opportunity should be given to people notwithstanding the periods laid down in the regulations to conform. But what I am slightly disappointed in is, that all my children have been in nursery and my nieces and nephews go to nurseries, and I am very grateful to the people who run these nurseries because they are very kind to children and the children are very happy. But no one has stated that some of the nurseries are most unsuitable. Some of the nurseries are little more than a room which is part of a house or a flat and they are most inadequate. There are no play-ground facilities, the toilet facilities are inadequate, washing facilities for the children are inadequate, one has said that and because it is very convenient or advisable to send 2 or 3 year-olds to nurseries, we have been allowing over the years businesses to be set up, and they are businesses, without conforming at least to minimum requirements.

HON P J ISOLA:

I don't know the question in detail. My own personal experience of this matter is that if it is one thing that they are not, it is business. They could make a lot more money than they are making. I can assure the Honourable Member.

HON A J CANEPA:

It is done for business, Mr Speaker. It is not like in the case of Government where Government has an obligation to provide education. The rates are very reasonable, they are extremely reasonable, but obviously it brings in a little bit of welcome income, usually for a lady, with the added convenience of not having to leave home which is also a good thing in its favour. But if we expect shops and places of work to have to meet minimum standards, I think we should also insist that the matters that I have mentioned, toilets, washing facilities, ventilation, fire precautions, all these matters have got to be met and they must be set at a reasonable level. The Government, I think, runs two nurseries, one at Varyl Begg Estate which I think is a pretty good and

reasonably modern nursery. It used to run another one where the Teachers' Centre is in Hargraves Parade, which was inadequate. It has been moved to where Castle Road School used to be and the Government has had to incur some expenditure in carrying out modifications to meet the requirements of 2 or 3 year-olds which are not the requirements of 10 and 11 year-olds as was the case when Castle Road was a school. The Government has to conform and I think that with a reasonable approach we must ensure that children that are sent to nursery schools do so under reasonable conditions and I will stress the word reasonable. There is no intention on the part of the Government and therefore it will not allow its Education Department to proceed on this manner in a draconian fashion. That will not happen but I think we are agreed on the Government side about the fundamental need for a study to be made as to nursery conditions and as a result of that study to promulgate reasonable minimum requirements.

HON CHIEF MINISTER:

Mr Speaker, on the question of the reading of the Bill, we are quite relaxed about that. If Honourable Members don't want to have the Committee Stage this time it doesn't matter because there is going to be plenty of time. But I think we can go one further because that was always the intention, certainly, that there should be consultation and that is that the draft regulations when the Bill is passed at the next meeting, the draft regulations will be circulated to all those who are running nurseries and they can make their points of view. In many cases, it will mean no more than reducing the number of children to approved standards. It may well be that there is a room which is fit for 10 young children and not 15 or 16 because of the requirements of toilet facilities and washing facilities and so on. This is really what we are looking at and this is what we want. When we had the Bill in draft, I have not looked at it recently, we said that there would be a minimum of a year which means that the Director would have even longer time if representations are made. I think the best thing would be for the regulations in draft to be circulated to those who have nurseries. I agree that sometimes Bills do not get enough time and we are not going to insist on having the Committee Stage and Third Reading at this stage.

HON MAJOR R J PELIZA:

Will he also circulate the conditions laid down for the admittance into the Government nurseries and the criteria and how this is done. That would be very welcome?

HON CHIEF MINISTER:

The conditions of the limited one may be with regard to residence. Well, we would not expect to ask people to have better standards than the Government can keep and if we are below those standards we should put them up.

MR SPEAKER:

You are being asked whether you are prepared to disclose the conditions under which nurseries are run by Government.

HON CHIEF MINISTER:

Yes, of course, there is no secret about that. The only point, of course, is that there is a limited space and there is some criteria to try and do justice. Whether this is being done well or not I don't know.

HON J BOSSANO:

Mr Speaker, I disagree with the whole approach to this from both sides of the House. I think that we are talking about an area where two totally different sets of institutions are used as if they were one and the same thing and they are not. The Minister for Economic Development, in fact, has switched throughout his contribution from the concept nursery to the concept nursery schools several times. He said the Government has two nurseries. The Government has no nurseries. The Government has got two nursery schools and there are no private nursery schools, there are only private nurseries and they are totally different, one thing has got nothing to do with the other. A nursery is a place where they look after children below school age, they look after them, they don't educate them and I am totally opposed to the Government making regulations to control private education and to call them schools and to provide for private education. Because in fact, the Government itself last year switched from nursery to nursery schools and as a result of that displaced the people who were employed in those schools because they were not qualified teachers and they said that; "now that they are nursery schools as opposed to nurseries, they have to be controlled by a qualified teacher" and I don't see how the Government to its own employees can actually tell people that they are redundant to Government requirements because they are not qualified to teach in a nursery school, and yet licence private schools where the standards in terms of education are below the standards that the Government itself considers inadequate in its own schools. I am totally opposed to the regulation of private nursery schools. As regards private nurseries, which are a completely different thing.

MR SPEAKER:

I think they used to be called "kindergarden".

HON J BOSSANO:

Yes, it used to be called kindergarden but they are called day-nurseries and they are called play-groups but they mean

the same thing. There is a private system in UK where basically in many areas it is a question of friends and neighbours getting together with one parent looking after the children of the neighbourhood because other parents go out to work; and that sort of thing, which was the original concept in the Government service itself, the Government started its nursery service not as an educational service but in order to give married women the opportunity of going out to work and being confident that their children were not in danger of being alone in the house and were properly looked after. That is one function that has nothing to do with education. It has to do in fact with encouraging married women to enter employment. The conditions attached to entering into a Government nursery was always that the mother had to be in full-time employment, so it had nothing to do with education, because one cannot make an argument in educational terms to say that if the mother works the child should get a better education than if the mother doesn't work. I fully support nursery education and I disagree entirely with the Leader of the Opposition when he says that in terms of choice, if one has to choose between devoting money to one area of education or the other, then the poor member of the family must be nursery education because, in fact, there is a wealth of research that has been done in this area and shows that it is the most disadvantaged group in society that benefit most from nursery education because they tend to get in a nursery school what they fail to get in the home. One of the big advantages of nursery education is that, generally speaking, as a general rule, working class homes tend to have less books, less newspapers, less reading material than middle and upper class homes in terms of social class, and therefore, quite often, the child from the working class home is introduced to reading for the first time in primary schools whereas the middle class child is already quite fluent when he enters school and that gives him an advantage throughout his school career and there is a wealth of information done in UK in this particular area. I happen to know because I was studying in that area myself, Mr Speaker, There is no question about it, the Honourable Members can go and check for himself if he doesn't believe me. Most of the work has been done by a Professor Benskin in the London School of Education, it is the School of Education in the London University which specialises in this area and in the development of language in pre-school children and it is in fact well documented that the vocabulary of a child that has been in a nursery school and the vocabulary of a child that entered straight from the home into a primary school shows a substantial difference. Obviously since the media of instruction is English particularly in Gibraltar where quite often in working class homes children here constantly speak Spanish, when they enter primary school they have a disadvantage if it is the first time they encounter the English language. A nursery education prior to a primary school does a great deal to remove the disadvantage and therefore I am,

totally in favour, my party is totally in favour of the expansion of nursery education as education, not as a day care or kindergarten centre and that that should be the responsibility of the Government and that that should lay down clear educational standards and that should be in the hands of qualified people. I don't accept that one can expand that area into a private centre and regulate and control and call them nursery schools because they are not nursery schools. For those reasons, Mr Speaker, I cannot support the Bill, because in fact, in the explanatory memorandum of the Bill, it talks about controlling schools and I don't think they are schools. I accept entirely the point made by the Leader of the Opposition that if we are talking purely about private nurseries where young children are looked after and where the parent is effectively paying for it and the Government is not contributing anything, effectively what the Government is saying is that it has the right to protect people against themselves or to protect children against their parents. I think, really, it is the parents' primary responsibility to ensure that if they are paying for a nursery the children are in a place where the conditions are adequate and there are safety requirements. I find it difficult to understand that parents can be so irresponsible, really, because there is no other word for it, as to pay privately for their young children to be in a nursery with inadequate standards. It may be that they have no option but I think it is difficult to believe that they have no option because if the parent is working and they need to have the child out of the house because they are working, then the Government nursery have got empty places. It isn't full up. I can assure the Honourable Member that the Government nurseries are not full up. There is spare capacity. The problem is that the criteria continues to be that of employment and I disagree entirely with the Government doing this because if they are providing education, I don't see why a child should be deprived of the opportunity of getting a nursery education because the mother doesn't work. If it is a question of providing a facility to relieve the mother for employment then it is a different thing altogether. I really think, Mr Speaker, that it is an area which I see as a controversial area but not for the reasons that have been put up to now but because we are mixing two completely separate things and I think the Government should really be concerned about the benefits that can be brought about by providing nursery education. If they go along to their own department and they ask their own department to do something on the results of the children that have come from the Government nursery into the school system and the ones that have not, I think that the evidence is there for the Government to see. The benefit is there throughout the school life, it doesn't stop at the end of the nursery education, it is like planting a seed at a very early stage and it takes root.

MR SPEAKER:

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

HON M K FEATHERSTONE:

Sir, the Honourable Mr Bossano has raised a point which at the moment I do not think Government can commit itself to and that is that all nursery education, in other words, education before the statutory age of 4+ should be in Government hands, should be in Government hands with qualified teachers and what have you. This might be perhaps an absolute utopian solution but I am afraid it would be a very costly one and it might be to some extent somewhat difficult to administer because again the question of whether a parent wishes to send a child under the age of 4+ to some form of education might have to be laid down by statute. The position, Sir, is that over many years not only here but also in the UK, there has been these, what are loosely termed, nursery schools, to some extent they are nurseries, kindergartens, whichever word you like to use, to a great extent it is basically looking after the child to give the parents an opportunity to do other things but its grown up over a considerable period of time that while the child is taught amongst other things how to play, how to cope with other children, etc., a certain amount of minor education is also given. They learn, for example, the ABC, the days of the week, the months of the year, how to count up to 10, some schools give a little more education than others, some give more on the question of playing, to some extent this playing can be classified as a type of education. They learn to play with such things as plasticine and what have you etc. The Government feels that at the moment these, and I will use the term loosely, nursery schools, are doing a reasonable good service to the community and they cannot accept Mr Bossano's view that the whole of that operation should be subsumed by Government. Now, Sir, with regard to the present Bill, the present Bill, apart from the clauses where it actually increases penalties for certain offences, is basically a Bill stating that regulations may be promulgated and I would suggest to the Opposition that it might not be unreasonable to allow the Bill to pass through at the present stage because even if we give 3 months it is still not going to be very much use to anybody to consider whether regulations may be promulgated or not. What I would suggest is that regulations should be drawn up in draft, should be circulated to the general public and specifically to anybody who runs a nursery school, that a 3-month period should be given during which consultation and representation may be made to the Department of Education following which the regulations will then be promulgated de facto. The situation also states that the 1 year period of grace to put the schools into order, does not commence until a notice is sent by the Director of Education and the Government will give the undertaking that the Director will not be draconian, he will consult with the schools first, give them ample warning of what is required, and then send through the official notice saying: "Now you have been told what needs to be done, etc., I give you one

year to do it". I accept that this may in some instances be a cost to the people concerned but I am sure the Members of the Opposition, when they know all the facets of the requirements that the Government is going to suggest for nursery education, will come round to our way of thinking. As my Honourable Colleague has mentioned, there are instances and we know of such instances, regrettably, in which perhaps 15 or 20 children are put into a rather small flat in the care of one person with hardly any other washing facilities than the flat has for the actual tenants of the flat and this to some people may be considered to be satisfactory, to other people and especially to the Medical and Health Department and the Department of Education, is not as good as we would like to see it. As I said, the regulations, I have seen the regulations, are not draconian but we are willing to put them in draft, to give a 3-month period of consultation after which they will then be put forward specifically. I would suggest that perhaps in the desire to move things forward, we can pass this Bill today which is simply an enabling Ordinance to say that regulations can be made. I commend the Bill; therefore, to the House.

HON W T SCOTT:

Mr Speaker, if the Honourable Member would give way before he sits down. It is only a point of information because we have been talking here about the criteria for the admission of children into Government schools. Is the criteria for the admission of a child solely that the mother should be employed or that the mother should be employed in Government service?

HON M K FEATHERSTONE:

No, that the mother should be in full-time employment anywhere in Gibraltar.

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 M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon 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 Major F J Dellipiani
The Hon Dr R G Valarino

The Bill was read a second time.

HON M K FEATHERSTONE:

Sir, it seems we have a little division on our side. I would suggest that the Committee Stage and Third Reading be taken at a subsequent meeting of the House.

MR SPEAKER:

Fair enough.

THE WIDOWS AND ORPHANS PENSIONS (AMENDMENT) ORDINANCE, 1982

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Widows and Orphans Pensions (Chapter 159) 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 beg to move that the Widows and Orphans Pensions Amendment Bill, 1982, be read a second time. The Widows and Orphans Pensions Ordinance was enacted on the 2nd of April, 1958, and came into operation in November, 1961. It applies to employees of the Government and of the then City Council of Gibraltar. Section 32 of the Ordinance provides that all employees who were in service prior to the 2nd of April, 1958, would become contributors to the scheme unless they opted out of the scheme altogether. In other words, this was what one might term a negative approach, you were in unless you opted out. That option had to be exercised in writing by the 1st of January 1962. Officers who did not opt out in writing by 1st January, 1962, had to make an option as to whether they wished to pay current contributions based on 1½% of their salary and 3¼% of their salary in respect of arrears based on their recurring salary where applicable. In other words, you could either pay 1½% of your salary every month or you could pay on the basis of your retiring salary at the end of

your service. If you paid monthly on your current salary the amount paid was tax deductible. If you paid from your gratuity a lump sum based on your final pension emoluments, only a small part of the amount would be tax deductible because there is a limit under the Tax Ordinance to what is allowed for tax deductions on a pension in any one year. Officers who had not exercised an option in writing by the 1st of January, either opting out of the scheme or to pay a current contribution, were considered to be contributors but their contributions would be deducted at a lump sum from their gratuity on retirement. Officers appointed to the permanent and Pensionable Establishment on or after the 3rd of April, 1958, do not have an option to elect out of the scheme, and are therefore compulsory contributors. However, on joining the service, and on joining the scheme as a compulsory contributor, they do have to elect whether to pay the current contribution of 1½%, or by a lump sum deduction of their gratuity at the end of their service on the basis of their final pensionable emoluments. If they make no election within 3 months of joining the permanent and pensionable establishment, they pay by deduction of a lump sum from their gratuity. As soon as the scheme was being implemented in 1962, a number of officers made representations to the effect that they had not seen the circular explaining in detail the operation of the fund and inviting them to make options, either to opt out of the scheme or if they wanted to stay in the scheme whether they opted to pay the 1½% of their monthly salary or a lump sum from their gratuity at the end of their service. Some of the officers argued that they had been away from Gibraltar on holiday or on study courses, and this particularly applied to teachers. Other officers maintained that they had written in, they had opted out of the scheme, but their options must have been lost because there was no record on their files. The Government did not necessarily accept all of these representations. However, by 1971, there was much discontent at the method of the negative option that the Government decided to meet the Staff Side Representations in part by giving a second opportunity to officers who had to pay all contributions by a lump sum deduction, in other words, those who were not paying by monthly deduction, and a number of officers took advantage and switched from the lump sum payment from their gratuity to the one 1½% payment from their monthly salary. Those who did so, were required to pay arrears at 3¼% of their salary plus 3% interest on the balance outstanding until the arrears was paid off. Shortly after 1971, a few officers again complained that they were being regarded as contributors on retirement when in fact they were under the impression they were not contributors at all. Two officers who retired found that about a quarter of their retiring gratuity had been deducted in respect of contributions due under the Widows and Orphans Pensions Ordinance and they objected strongly and insisted

that they had in fact opted out of the scheme altogether. The official side in discussions with the staff side, maintained the view that there was no question of opting out of the scheme unless such option had been exercised in writing by the 1st of January, 1962, and that the only possible movement after the 1st of January, 1962, was on the method of payment. By 1978, the discontent of the staff side had grown enormously, a few more officers had retired between 1973 and 1978 and had had substantial deductions taken from their gratuities in respect of contributions due. The option form given to new entrants or promotees into the permanent and pensionable establishment between 1962 and 1978 was ambiguous and appeared to allow an option whether the employee wished to be a contributor or not and, thirdly, a number of officers still maintained that they were not contributors because they had opted out of the scheme in 1962. In fact, as the House will realise, the situation was thoroughly confused. In December, 1979, the Staff Association's Coordinating Committee lodged a formal claim asking that the whole question of options be reviewed. An in-depth study of the whole matter was made and the conclusions reached, inter alia, were that the negative option approach used in 1961 was a non-satisfactory system and that there was justification for allowing a final option on the method of payment. Future entrants should, however, be required to pay current contributions compulsorily. This point was put to the Government's Pension Adviser who agreed that a final option on the method of payment should be given to officers. The purposes of the Bill before the House, Mr. Speaker, are therefore, first of all, to give a final opportunity to the officers in the Widows and Orphans Pension Scheme who have not made an option on a method of payment and who would, consequently, otherwise have contributions deducted on retirement, to decide whether they wish to make their payments currently from their current salaries. If they do, then they will pay the 1½% plus 3½% to cover arrears and a 3% compound interest. Secondly, to require every person who becomes a contributor to the scheme, on or after the 1st of January, 1983, which is the date proposed for the commencement of the Bill, to make his contributions by way of periodical payment under Section 12. In other words, there would not be an alternative means of deduction from Government pension and gratuity at the end of his service. The Government considers that it is only equitable to give officers who have retired and who had not elected to pay contributions under Section 12, and who have had to pay contributions in arrears by way of lump sum deductions from their gratuities, an equal right to exercise an option now with retrospection so that their contributions can be re-calculated at what the rate would have been had they paid at 1½% of their salaries. The number of retired officers concerned is only 30 and the number of officers concerned still serving who have to opt as to whether they wish to continue payment at the end of their

service by a lump sum payment from their gratuity, or whether they wish to pay at 1½% of their salary for the future, paying off arrears at 3½% is only 30 in number. I have had some figures prepared so that I can give members some idea of the differences that lie here and may I say, Mr. Speaker, that I would like to announce publicly my gratitude to a young Executive Officer in the Accountant General's Department, who worked late hours in order to prepare these figures for the House. Of the 10 officers who have retired, the difference between the amount deducted from their gratuity and what they would have paid if they had paid 1½% on their current monthly salaries, is £5,600, thereabouts, so that if all of them elect, and I think they will elect, because they will get a repayment, the cost to the Government is going to be under £6,000. I think it is interesting to note that an officer who at the end of his career had to pay from his gratuity £306 would, even with the 3% interest which is charged, only pay £207. In other words, he gets a refund of about £99, and the difference between a senior officer who pays monthly at 1½% of his salary throughout his career or pays a lump sum at the end of his service, the difference can be about four times. If for example, he would pay, say £2,000 by 1½% deductions throughout his career and that would be tax deductible, he would get part of that off in tax relief, he would pay something like £8,000 out of his gratuity. I would like to stress to the House that this sounds as if it has been a complete shambles. It is not unusual in any territory for this problem to arise. What normally happens is that, and I have had to deal with cases myself when I have been on establishments elsewhere, is that you talk to a young officer and you say to him: "Do you want to go into the Widows and Pensions Fund or you have to go into the Widows and Orphans Pension Fund," he realises that, he has just got married, fine you then say: "Do you want to pay 1½% of your salary each month or would you prefer to pay out of our gratuity at the end of your service?" When you are young and recently married, a pound in the hand is worth a couple in 30 or 40 years time. But as you get older and as inflation ups your salary and as, hopefully, you grow more senior and get a greater salary, you suddenly begin to realise that at the end of your service you are going to pay a hell of a lot of money, if I may use the term, Mr. Speaker, out of your gratuity when you retire and you begin to wish that you had in fact taken the 1½% monthly payment instead of the payment from your gratuity at the end. And so, Sir, for this reason, we are in this Bill amending the system so that officers must not only be compulsory contributors to the Widows and Orphans Pension Fund but also it will be compulsory for them to pay 1½% of their salary so that the problems that have arisen, as I have stated, do not arise in future. 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 merits or principles of the Bill?

HON W T SCOTT:

Mr Speaker, we generally welcome a Bill of this nature, a measure of this type, and we agree that where an option was not exercised by a possible recipient in years to come, another opportunity should be given to that individual. But we would have hoped to have seen, Mr Speaker, a Bill similar to this Bill relating to old age pensions because an opportunity was given to those people some years back who did not have an opportunity to contribute weekly or monthly towards social insurance, for them to be able to do so. If I remember correctly the period was extended by a few months. It seems to me rather disparaging to regard civil servants one way and the rest of the public in another. We would have hoped to have seen, Mr Speaker, a Bill similar to this which would have applied also to people who perhaps were not under the circumstances able to have paid these arrears within the time prescribed at the time contributions became compulsory. That is all, Mr Speaker.

MR SPEAKER:

Does the Honourable the Financial and Development Secretary wish to reply?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I will merely say that the Government takes note of the Honourable Mr Scott's comments.

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, if necessary, today.

This was agreed to.

THE COMPANIES (AMENDMENT) ORDINANCE, 1982

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Companies Ordinance (Chapter 30) 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 beg to move that the Bill be read a second time. The object of this Bill is, first of all, to allow His Excellency the Governor, with the prior approval of the House, to increase fees in the Eighth Schedule of the Ordinance by Order. This is new to this Ordinance but there are ample precedents for this more convenient procedure and under modern legislation techniques I think that it is usual that where there are fees of this kind, it is usual for them to be made by Order subject to the approval of the House. We had an example at this meeting, the Licensing and Fees Ordinance, and we had one at the last meeting. Secondly, to prescribe the fees for company searches and certificates in the Eighth Schedule rather than in the body of the Ordinance and, thirdly, to reduce the somewhat lengthy schedule by reducing the number of small items for which 50p is charged on minor matters, but increasing the fees for the major activities of the companies registry. The changes which are proposed follow UK pattern and practice. The changes proposed in the registry fees are the incorporation registration under Part 9 or a change in the status of a company, exempt from public limited to private, or from limited to unlimited, would carry a fee of £25 regardless of the amount of the share capital, instead of the present graded fee related to capital which combines with the small fee for the registration of documents, 50p, making a record 50, these are being abolished, require a company having a share capital of £2,000 to pay only £6.50. The fee for changing the status from public limited to private, or limited to unlimited, the proposed increase is to £3.00 instead of the 50p for a document filed. The fee for a change of name is increased from £2 to £20 and the proposal for the filing of an annual return is increased up to £10 and the search fee £1 instead of 5p, and the charge for certified copies of certificates £2 instead of 25p. The Honourable and Learned Chief Minister has drawn my attention to a misprint in the Schedule which I shall need to amend at the Committee Stage. It is (f) certified copy of a certificate £20. It should be £2. Photocopies to be charged at £1. These proposed changes in the order of costs in the Schedules have been discussed with the Finance Centre Group, and I believe by the Bar Association, it is my understanding that it has been put to them, and as a result of representations that they have made it is proposed, in the Committee Stage, to make a reduction in the proposed fee of £10 for the filing of the annual return. Sir, it is not possible at this stage to quantify the additional revenue that will be derived from the increase in fees but the House

will be later in this meeting asked to vote funds for the purchase of a micro computer in the Companies Registry of the Supreme Court to speed up the registration of company names and it is our view that, by and large, the additional revenue that will be derived from the increases in these fees will meet, over a period, the cost of the computer plus the running of it. 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, we would agree entirely that the fees payable under the Companies Ordinance are much too low. The principle of the Bill is agreed to. However, the reason why I was shaking my head when the Honourable Financial Secretary said that the Finance Group had been consulted and the Bar Association had been consulted is because I personally had a representation just before the commencement of this House by a leader member of the Bar, to the effect that somebody in the Bar I don't know if it was the leader or somebody else, had received a copy of the Bill only 3 days before and that, apparently, they wished to make representations on it. Equally, I understood the position was the same with the Finance Centre although I have not had direct information from anybody there. Whatever the case may be, Mr Speaker, I am opposed to the idea of going through all the stages of this Bill. I am opposed of going through Committee Stage of this Bill at this meeting and I will say why in a minute. A new word is introduced into this Bill, the question of change of status in any company, and it would seem that under the Eighth Schedule, incorporation, registration or submission of any change in status of a company, it is not clear to me what that means because a change of status from public to private, or of limited to unlimited, which are the particular changes of status that I can think of, are specifically provided for with payment of £3. When a company changes its directors, is that a change of status? When a director changes his name, is that a change of status? If that is the case, is he going to be required to pay £25 every time a document is filed to that effect? To me, it would seem quite ridiculous and absurd to accept that. I notice that from the old Eighth Schedule a clause has been left out entirely, Clause 2, which says, "For registering any document by the Ordinance required or authorised to be registered, or required to be delivered, sent or forwarded to the Registrar, other than certain things", so under that particular Clause if you change a director in a company or you change the address of a company, or whatever, you pay 50p. Is there to be no fees for

this or is the fee to be £20? If the fee is to be £20, I would thoroughly disagree, Mr Speaker. I am talking to a certain extent here, obviously, as a practitioner at the Bar so I am aware of how those things work but it would be quite absurd that every time a director is changed in a company that there should be payable a fee of £20, or if a director changes his residential address, £20. I think that this is something that should be considered. But as the Ordinance reads now, in the absence of a definition to what status means, I can see the Registrar of Companies having a problem. I should say, Mr Speaker, that there is another Bill before the House in relation to the capital of a company, stamp duties and I agree entirely with those provisions, I think that they are perfectly reasonable, and I think that the question of having a flat fee for the registration of a company, again, is sensible, and we go along with that. Looking at the items, the registration or a change of name, for example, which is a comparatively simple matter, I cannot understand why it should be £20. It would seem to me that a company has already being formed, they pay £25 for the registration charges, if they chose to change the name, for example, but putting Gibraltar in brackets, I don't quite see why that should require £20. I would not like to comment in detail on the Bill because I think there should be some discussion between the Bar Association or the Finance Group and the Attorney General about the actual wording of the Bill. For example at (f) certified copy of a certificate.

HON CHIEF MINISTER:

No, that fee is £2.00.

HON P J ISOLA:

I know it is £2.00 but certified copy of what certificate, Certificate of Incorporation or a certificate of something else? If it is any certificate why say certified copy of any other document? I am not quite clear, as to the meanings. The main objection I have is as to the definition of status, as to what is meant by that, I think that requires a definition. If the Ordinance is scheduled to come into operation on the 1st November, I don't think there is any harm if it comes a month later and I would suggest for those reasons, Mr Speaker, although we thoroughly agree (a) with the principle of increasing the fees; (b) we agree with the rationalisation, I think that is a very good thing too, from the point of view of the work of the Registry, we agree with that. Again, we prefer some consultation and some detailed examination to be made before the Committee Stage is taken. We support the Bill Mr Speaker, but we suggest that the Committee Stage be left to the next meeting of the House.

HON CHIEF MINISTER:

Mr Speaker, the proposed implementation of the Bill would have been the 1st of November but I don't think there is any particular harm in leaving it until the 1st of January and having its terms disposed in the Committee Stage and Third Reading at the next meeting. I would like to draw the attention, particularly of the legal profession when things are published in draft, they have to come forward with their ideas. I agree there hasn't been enough time, and sometimes a week is not enough, but we cannot go round the various bodies asking them if what is done is right or not, they should make the representations. With regard to this Finance Centre Group, this was done. I had a meeting with them in connection with something else and I mentioned to them back in early September, I think it was, on late August, that we proposed to change the fees for a company and they asked that this be done with their consent. I regretted I couldn't do that because the responsibility was the Government's responsibility and that couldn't be delegated, but I undertook that notice should be given to them in advance of the proposed increases and in fact following on that undertaking the Attorney General wrote to Mr Louis Triay and sent him the proposals on the basis that he had been leading the delegation of the Finance Group when they came to see me. He wrote to him on the 24th of September so he has had time to consult with other people and in fact he wrote back to the Attorney General on the 8th of October. There is one point only on which we don't agree, in fact, he suggested the annual return being reduced from £10 to £5 to which we are agreeable, in fact, I thought later when I looked at this carefully that that of course is quite easy, and we could agree with him. He made a mention about the fact that it was unclear about the proposed fee of £25 for submission of any change in status of a company on which no doubt the Attorney General will want to say something, and drew attention to one or two other points. The one point on which at least at this stage I don't agree, and I am also entitled to have a view in these matters, is that a change of name is too much when in fact it can have a great effect on the company. If somebody wants to change the name, the change of a private name by deed poll costs much more than that but, anyhow, that we can discuss later on. The other point, of course, is that you do not see in the Bill the amount of small items that have been cleared and have made it neater to do this. We accept the criteria that we must not price ourselves out of the market by putting in too many fees that would increase the overall costs of forming a company but having regard to the cost of the registry forms and the service we will expect arising out of having computers and getting quick results with names which I think is very essential, and that is the crux of the whole thing. We hope that with the computer it will be done properly, it is no use looking at all magazines of the world and finding out whether the word "Sun", for example, has been used elsewhere before the Registrar says yes, or what have you, and that

would help a lot. Apart from those proposed amendments which will be brought at the time and anything on which the Bar wants to express their views, we will consider them, we cannot say we are going to accept them but we will consider them and I take that part of the responsibility as a Member of the Bar as well with the others that if representations have to be effective they must be made by the Bar, like the Finance Centre Group people have done it in a recent letter and in time, not just like that.

HON ATTORNEY-GENERAL:

Mr Speaker, if I can cover some of the technical points that have been raised. As the Chief Minister has said, of course, as far as the Finance Centre was concerned the draft was sent on the 24th of September. So far as the Leader of the Bar was concerned he in fact rang me, it was the beginning of this week, and he rang me for two reasons: He had had difficulty, it is true, in obtaining his copy of the Gazette which contained the particular Bill and so I said I would do what I could to make sure that it did not recur although I must say, that in this particular instance it was beyond my control. He also made comments on the Bill and he said: "Do you mind if I give you my oral comments in view of the shortness of time." Of course, I did not mind at all and I took note of them. I think it is accurate to say that he supports the same points as were made by Mr Louis Triay on behalf of the Finance Centre. First of all, Mr Speaker, I agree that it would clarify matters if the term "a change of status" can be defined. Can I say what it is that it is intended to cover. It is intended to cover a change from public status to private status. I should say more precisely, a change between public status and private status, a change between limited status or unlimited status, or any combination of those changes except for the specific type of change referred to in paragraph 1B, and that is a change from public limited to private, or from limited to unlimited. But I take the point that it would be desirable in the interests of clarity to define in 1A what is meant by a change and I will be proposing in Committee a change to this effect. So far as the second clause is concerned I can confirm that the matters which are at present provided for under that item, which I think are all the subject of the 50p fee, and which deals with a number of routine matters such as change of registered office, notice of change of particulars of directors and secretaries, one or two others of that kind, they will now not be charged for and that is why it has been omitted. Certain other items of course which are set out in the Bill will be charged for at a higher rate, so as the Honourable the Financial and Development Secretary has said on the one hand some of the major fees are being increased, on the other hand a number of minor fees are being abolished. So far as Clause 1(3) is concerned, Mr Speaker, I would just like to say that there has been comment

on the size of the fee for a change of name. There are three points I would like to make. First of all, in consultation with the Registrar of Companies, he made the point that it is not quite as simple a task as it looks. There is a bit of work involved from his point of view, notably by way of checking and consultation. The other point is and again the Financial and Development Secretary has explained, the fee being proposed is considerably less than it is in England, I think in England the fee is now £40 so it is still a lot less than it is in the UK. I have only two other points to cover. Mr Speaker, I confirm that there is a misprint in paragraph 1(n) so far as the fee is concerned, that has already been explained. I can confirm to the Honourable and Learned Leader of the Opposition that the intention in paragraph 1(n) is to charge for any certificate. It is certainly something that we can look at more closely if we have got time between now and Committee Stage. I must say my first reaction is that it is clear enough, but I think that whenever somebody raises a point on clarification that is a point that affects us the wording should be looked at again, so I will look at that point. There was one other point arising from this paragraph and that is why the distinction between a certified copy of a certificate and a certified copy of any other document. Well, the reasoning here is this, Mr Speaker, that in the case of a certificate it is invariably, I think I can say correctly, it is invariably a one page formal document. In the case of other documents, one may be photocopying the whole of the memorandum of association and certifying it on the bottom so that is calculated on a rather different basis but the distinction was deliberately made.

MR SPEAKER:

If the Honourable the Financial Secretary would now like to reply.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I think that the points made by the Opposition have been adequately covered.

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 subsequent meeting of the House.

THE STAMP DUTIES (AMENDMENT) ORDINANCE, 1982

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.

SECOND READING.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I beg to move that the Bill be read a second time. The intention of the Bill is to amend the Stamp Duties Ordinance by the introduction of a minimum fee of £10 in respect of the stamp duty of 1% which is payable on the nominal share capital of companies. Without a minimum charge the stamp duty is not effective as the majority of companies incorporated here are incorporated only with a notional share capital of £100, which means the fee is 50p. I think it is generally accepted that a minimum fee is preferable to an increase in the percentage of the rate of stamp duty itself. For that reason the Government proposes a £10 minimum fee. Mr Speaker, I beg to move.

MR SPEAKER:

Does any Honourable Member wish to speak on the general principles and merits of the Bill?

HON P J ISOLA:

Mr Speaker, we support the Bill, but the only amendment that I would suggest is that it should be £10 up to a capital of £100 and afterwards a 1% extra because it seems to me that otherwise everybody will now incorporate companies with an authorised capital of £2,000.

MR SPEAKER:

And you only pay £10.

HON P J ISOLA:

And you pay £10, yes.

HON CHIEF MINISTER:

The payment is for the work involved in incorporating the company and then after £2,000 you start paying the extra but that is the minimum fee.

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 Committee Stage and Third Reading of the Bill be taken at a later stage in the meeting, if necessary, today.

This was agreed to.

THE LOANS EMPOWERING (1981-1986) ORDINANCE, 1982

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to provide for the raising of loans by the Government of Gibraltar for development purposes and for matters relating thereto, be read a first time.

Mr Speaker 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 beg to move that the Bill be read a second time. The purpose of the Bill is to enable the Government to borrow £10m in the period up to 31st March, 1984, to meet the cost of development projects. The House will remember the enactment in December, 1980, of the Loans Empowering 1980/83 Ordinance. Following the enactment of that Bill the Government negotiated loan facilities with the Midland and International Bank and Lloyds Bank and Members will recall that the agreement signed with the banks in accordance with requirements of the Ordinance were laid at the table of the House. £6m was borrowed from the Midland Group and £2.2m with a provision with Lloyds Bank International. In addition, promissory notes have been signed and issued for supply of finance to meet part of the cost of the International Direct Dialling and the Waterport Station project as well as the Varyl Begg roofing. It has now become necessary to obtain further borrowing powers not only to complete the 1978/81 Development Programme for which we will require £2.6m, but also to provide for the first tranche of the 1981/86 Development Programme an amount of £7.4m. The most important projects to be undertaken are the new Desalination Plant, the Rosia Dale phased housing project and the extension to the Bayside Comprehensive School. Contracts for these last two projects have been recently awarded. Sir, we have in this Bill followed the general principle of the previous Bill in that it is an empowering Bill enabling the Government to raise up

to £10m rather than having to seek approval from the House on each occasion that a loan is required for a specific project. This principle, if I remember correctly, had the support of the House when the previous Bill was enacted. We have made one slight change in the principles of this Bill and that is not only does it enable us to borrow on the money markets or by supply of credit, but also it enables us to borrow by debentures, probably tax free debentures issued locally, to mop up local savings. In the past, we have had separate Bills for local loans, I think the last one was No.6 of 1978 but we felt that it would be far better and gives the Government much greater flexibility in its borrowing to have all forms of borrowing wrapped up in the one Bill. The Bill provides, as did the former Bill, that the proceeds of the Loans raised must be placed into the Improvement and Development Fund, that Sinking Funds may be established as appropriate and that Loan Agreements must be tabled at the next meeting of the House after they have been negotiated. I know that one point that Members may well raise is why only £10m? I am sorry if I pre-empted the Honourable Members question. Well. It is a good question, if I may say so, and it is one which I asked myself. The reason is that the Treasury and the Economic Unit have tried to gaze into a crystal ball over the next 10 years to look at revenue and expenditure and how much we can afford to borrow and the whole of the projection is clouded by the effects of the likely closure of the Dockyard and what activity might replace that and so we felt that in order to keep within the prudential ratios of servicing charges to revenue which we use here in Gibraltar linked with similar prudential ratios used by the IMF on borrowing, that we could only go for £10m for the next 2 years at the moment but that thereafter when the scene became clearer we could go for further borrowing. The effect of this borrowing on present interest rates which we had projected fortunately when we did our look forward, is that if we assume that there will be some small drop in revenue and increase in expenditure because of the closure of the Dockyard, the ratio of servicing charges for the whole of the Government debt to revenue over the next 10 years will rise to about 14% to 15% from the present 8% by 1986/87 and then drop sharply thereafter. The rise is slow because we were able to negotiate with both Lloyds and Midland both very substantial grace periods on which we pay interest but not the capital on the loan, the capital on the loan is paid into fairly large tranches in 2 years and in the discussions which we have been holding with banks, in advance of this Bill coming into the House, in preparation for it, we have also been able to negotiate fairly substantial grace periods, happily. I don't want to go and I don't think that we should go above a figure of 15% of servicing charges to revenue. Normally, the rule of thumb is 10% - 12%. So long as it is going up and coming down, that is fine, but it is rather like your overdraft,

if it goes up and it comes down the Bank Manager doesn't mind, and we have discussed with the banks the figures and they find a peak and then a drop, that is OK, but if it is always going up your Bank Manager gets worried and I am sure that the people who are going to lend us money would get worried too. As it is, the indications are that we will have no great difficulty in raising the funds we require and furthermore, of course, we do intend to try and mop up local savings by issuing attractive tax-free debentures. The last 10½ flm went extremely well and was all taken up, and I am sure that if we could come forward with a further attractive offer of that kind we should be able to mop up some money. Also, we have funds in the Note Security Fund, we could probably take flm from the Note Security Fund so that we do not have to go for the whole of the amount to the commercial banks. Last time on our fl4m borrowing, we borrowed fl.25m from the Social Security Fund. I think that given the points made by the Honourable Minister for Economic Development yesterday in discussion on the Social Security Fund, I think it would be inadvisable on this occasion to take any further funds for Government purposes from that Fund but we have got the Note Security Fund. Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON J BOSSANO:

Mr Speaker, the Honourable Financial and Development Secretary seems to be developing remarkable mind-reading facility nowadays. I support the empowering of the Government to increase its ability to borrow. I think that in the past, in fact, our debt servicing ratio, out of total Government expenditure has been low compared to any other territory and I don't think we are approaching a danger area subject, of course, to the possibility of an economic collapse which would deprive Government of revenues and then, clearly, it isn't that it is projected to go beyond the 15%, but then of course, if there were to be a 50% collapse in Government revenue, then the 15% becomes 30%. My only reservation on this, and I think the Financial Secretary has cleared it up, I hope he has, is that in the past it has been hinted in recent budgets that there was a ceiling on the borrowing ability of the Government being put by the UK Treasury. Now, if it is a question of the Government itself determining what it considers to be prudent, then I am prepared to support the Government in its judgement because I think it is their function to do it. But if in fact they were to say to themselves; "We think it is prudent to

call it fl2m, but the British Government only allows us to borrow fl0m and, therefore, they are putting a ceiling on our ability to borrow fl0m because that is all we are allowed to do, then I would not vote in favour, that I have to make absolutely clear. I support their judgement but not any limitations on their room to manoeuvre imposed externally.

HON P J ISOLA:

Mr Speaker, with regard to the last point that has been made by the Honourable Mr Bossano, one could possibly go along with him in a political basis, on a political footing that a Government must make a judgement and then take the consequences one way or the other if the judgment is wrong. I say that, but I think the reservation has to be there, and this is probably why I suppose they require authority from the British Government, the reservation has to be there that there is a Constitution under which we work and under that Constitution the economic stability is the responsibility of the British Government, but I suppose if the Gibraltar Government started borrowing very, very heavily that could affect that stability, I think the people of Gibraltar would accept that there should be a final body that decides. That is what the Constitution says and as long as that section is in the Constitution, we would not support action that is manifestly contrary to the Constitution. But we agree with the principle and we agree with having a Bill under which the Government gets authority to borrow fl0m and gets on with it and I am glad this Bill has come now and I very much bear in mind what the Minister for Economic Development said earlier on in the meeting, answering questions about the reluctance of the Government to say what projects were going to go hopefully from Gibraltar funds and what were going to go from ODA funds because the British Government has not yet decided the measure of support it intends to give us, but on the other hand I agree the legislation has to be put through, loans have to be negotiated and development has to get going. If it doesn't get going, we will be suffering the consequences of lack of action in the next 2 or 3 years. I think our position as an opposition is completely protected by the fact that the project has to be approved by the House, anyway, and we will see the agreement that the Government makes on the loan laid on the House, it is their responsibility to make the agreement, obviously, and we will be able to criticise it. We support entirely the principles and we support the raising of fl0m. Having said that, however, we have noticed how our repayment of national debt as it were, has been rising in the last 2 or 3 years and now they rise to a peak, obviously, and the only thing that we would say is, repeat what we have said in previous budgets that money is not limitless and that therefore the Government must control very, very carefully its annual expenditure because the repayment of these loans

will form part of that expenditure and we think that the Government must control expenditure, must be more cost effective than it is if development is going to get going in a big way because it is quite clear that the amount of aid that Gibraltar will get from the British Government will be that amount that the British Government considers reasonable. We will probably not consider it that reasonable and therefore we will have to raise funds if development of Gibraltar is to continue, if we are going to have new housing and so forth. So, Mr Speaker, we think, and it is a great tragedy, really, that Gibraltar is in the situation that it still doesn't know whether the Dockyard is going to close or not, still doesn't know what is the sort of support the British Government is going to give, a whole year almost has gone by since £4m was promised in December, great difficulty has been experienced in getting any part of it, we have only got £2m of it and I think that we are approaching the stage where we must just do something about it and get on with it. We approve the Bill and we say that final decision on the future of the economy of Gibraltar and on which way we are going have to be made during the current year, not financial year, calendar year.

HON CHIEF MINISTER:

Mr Speaker, in connection with the latter part of the Leader of the Opposition intervention with regard to public expenditure, the point is not only taken but is one which is uppermost in our minds, in fact, we have what we could call the "tacañones" in our department, we have the Minister for Economic Development who chairs the Expenditure Committee and tries to check and control and find out particularly proposed increases and so on. But at the same time Honourable Members opposite keep on asking for more things. Why don't we do more of this, why don't we do more of that. Because they all add up at the time of the budget to increasing general expenditure.

HON J BOSSANO:

I haven't asked them to be careful about public expenditure. I think you should address that to those who do.

HON CHIEF MINISTER:

I am saying that from what the Leader of the Opposition has said, what we have to make sure of is that we get value for money. That, yes. But having said that, there is a limit and therefore, suggesting that more things should be done here, the fountain to be restored there, something else should be done there, all adding up later on. Sorry if I mentioned the fountain, it is the only one I could remember, it has no particular significance. I want to deal with the question of the Constitution and the

question of the Loan Empowering Bill because I agree with the Leader of the Opposition that if we finally want to lay, and we may have to, hopefully not, but lay at the door of the British Government the fact that they have underwritten the economy of Gibraltar, whatever we do with regard to capital must be on the basis of agreement otherwise they would say: "I will underwrite what I have authorised and I won't underwrite anything else". The British Government will never accept responsibility without power. That is the basis on which we have to approach this matter. Power without responsibility is very comfortable but that cannot be done. Having said that and having accepted that they can have a say, as has been the case where difficulties were being placed in respect of this £10m which we in our judgement felt was more than covered and fully justified as has been justified by the Financial Secretary, I have made it clear to them that they cannot have it both ways, they cannot say they are not giving us development aid and they cannot stop us from reasonable increases in capital to do our own development. That has been my argument at a political level and fortunately, after a little grumbling and so on, they have given way. Not that happily but I think that that has been our argument apart from the fact that our finances at present stand reasonably handsomely and so on. But they cannot do both. They cannot deprive us of what is reasonable for us to develop and at the same time deprive us of developing with the aid to which they are politically committed and which is about time they should have done it.

MR. SPEAKER:

Does the Honourable the Financial and Development Secretary wish to reply?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think I have nothing to add to what has been said, Mr Speaker. I would just add to the political point that the Chief Minister has made about borrowing in answer to Mr Bossano and that is that although, as the Chief Minister has indicated, we have had some difficulties in getting the borrowing powers we have sought, we have always put forward a very solid case for it, so solid that bankers will come and say: "Yes, we agree that this is a good case and we are prepared to lend you up to this amount." Our line at a lower level than the Chief Minister to the British Treasury is: "If bankers will come and lend us this money, who are you to say that we are not sound." And they have given way. That is all, Mr Speaker, 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, if necessary, today.

This was agreed to.

The House recessed at 1.00 p.m.

The House resumed at 3.20 p.m.

MR SPEAKER:

May I remind the House that we are still on the First and Second Reading of the Bills.

THE PENSIONS (AMENDMENT) ORDINANCE, 1982

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

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

SECOND READING:

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I beg to move that the Bill be read a second time. Section 10 of the Principal Ordinance makes provision, amongst other things for a reduction, that is an abatement from pensions, of an amount commensurate with the employer's share of contributions which the Government as employer may have made towards the Old Age Pension of the employee. This practice when it was introduced followed the United Kingdom practice and in effect what happened was that when you were awarded a pension at the end of your Government service, an amount was deducted from it when you reached the age of 65. If you retired at 60 when you reach the age of 65 and began to draw your Old Age Pension they deducted from your pension an amount equivalent to the amount which the Government, as an employer, had paid towards your old age pension. So on receipt of your Old Age Pension you had a cut in your actual earned Civil Service Pension and this same concept or principle was reflected in the Pensions Ordinance in all dependent territories. In 1980 the practice ended in the United Kingdom so that after the 1st April 1980, persons retiring after that date draw their full pension, not only at

the age of 60 when they retire, but also, eventually, when they receive their Old Age Pension, they receive the two together, there is no abatement. The reckoned amount for each year of insured service is about £2 a year, so that for a person who had earned his maximum pension on 33 1/3 year's service, the deduction that is made is about £67.75 pence and the proposal now before the House and contained in the Bill is that the abatement in respect of Government employees should be discontinued for service after the 1st April 1980, although service completed prior to that date will continue to be subject to abatement. The current position, as far as the Government is concerned is that an average of £25 a year is the Government's share of the Social Insurance Contribution paid towards the Old Age Pension and it is deducted from the pension of 202 pensioners out of a total of 703 pensioners. The total amount of the drawback is about £5,000 per annum at current rates. It is difficult to forecast what the effect of the discontinuation of the abatement with effect from the 1st April will be because you cannot tell at what age persons will retire but given that on past service the drawback is only £5,000, I think that one can fairly safely assume that it is not going to be very much more than, say, double that amount. I think that this Bill is aimed at restoring the position which in equity should never have been eroded. I think that it is generally accepted now in a rather more enlightened society that if you have paid towards an Old Age Pension, then that should be paid to you in addition to any other earned pension and that your pension should not be abated. Mr Speaker, Sir, I commend the Bill to the House.

HON G T RESTANO:

Mr Speaker, one thing that this Bill brings to mind immediately to me, anyway, is the difference of conditions that occur between employees in the public sector and employees in the private sector. This Bill has been brought before the House to better the lot of some public sector employees. But what happens in the private sector? In the past, where it was not generally the rule that pensions were catered for by private employees, individuals and persons employed in the private sector when they reached retirement age and had no pensions whatsoever from their employers or from any contributions that had been made by employers or by employees. This, I suppose, was just something which was of the times. Most of the employers in Gibraltar are small employers and perhaps the larger employers might have done it but certainly not the small employers and, as I say, the bulk of employers in Gibraltar are small employers. We got the case where little by little there was comprehension of the situation and perhaps even aid from the trade unions who also felt that perhaps employees in the private sector were slightly worse off in that respect than those in the public sector, and employers began to think of

making pension contributions or equivalents for their employees. In many cases those employees have been employed for so long that it was hardly worthwhile to go into a pension scheme because normally the advantages of a pension scheme is something which will span over a long period of time and therefore the benefits accrue after a long time, but in many cases when the awareness of the situation came to the employers, there wasn't really any time and so some employers thought of contributing towards their employees life insurances. What is the case where an employer pays contributions for his employees insurance policy? It is considered for income tax purposes as income for that employee and whereas in the case of the pension schemes whatever contribution is made by the Government for its own employees is not considered as an extra payment, it is included in the overall wage of the employee. Well, the Chief Minister may nod, but

HON CHIEF MINISTER:

No, if the Honourable Member will give way. Mr Bossano will hear out what I am saying. In respect of the parity analogues, where there is a clear difference because of contributions, in fact settlement of salary claims and so on do include an abatement in respect of that part of the pension that is given to them, or rather the salary that is given to them, that does not carry a pension contribution as it does in England. I can tell you of one particular case where the pension contribution is very high. I have particular experience of that because I have a daughter who teaches in the Inner London Education Authority. Teachers have got an abatement of about 6%, and here teachers get the salary of the United Kingdom less an abatement which is negotiated and therefore they pay for their pensions to some extent.

HON G T RESTANO:

I think where the Chief Minister has not understood me correctly is that I wasn't talking of pension schemes, I was talking of life insurance which some employers have decided to take out in view of the fact that some of the older employees have only a few years to go and there haven't been contributions over the past 20 years and so therefore they thought: "Well, let us contribute towards a pension, an insurance, a life insurance scheme which will cover them, say, till the age of 65." The contributions made by the employer are deemed under the Income Tax Ordinance as being added earnings by the employee so although on the one hand the employer does get tax relief, the employee does not get tax relief. What happens therefore is that there begins to be a difference, there begins to come a difference between the advantages that employees in the public sector get as against the advantages obtained by those in the private sector and there is a definite tilt, shall we say, in favour of employees in the public sector work.

HON J BOSSANO:

If the Honourable Member will give way. If the Honourable Member is talking about the provisions of the Income Tax Ordinance as opposed to the question of pension rights, don't think that what he is saying is necessarily accurate. As far as I can recall from the Income Tax Ordinance, it is a legitimate expense of a company to make provision into a fund for the welfare of the employees and if companies in Gibraltar are allowed, for example, to make contributions to BUPA and make that a tax deductible expense which is not charged as income to an employee, I don't see how what he says can be accurate. I would certainly say that it is a matter that should be taken up in specific cases directly with the Income Tax Department because in my estimation if that is happening it is a misinterpretation of the law. If the Income Tax Law is being applied in the sense that the contributions of an employer to a scheme which is effectively a provident fund for the benefit of an employee, if that contribution of the employer is being treated as taxable emoluments of the employee, as benefits in kind, then that is not what the law provides and if that is what is being done that is in my judgement, that is a mistake in the interpretation of the law. But I don't really think that that is an argument for saying that the pension treatment is different in the public than in the private sector. It seems to me that what the Honourable Member is raising is the question of the Income Tax Law being applied in a very peculiar way.

HON CHIEF MINISTER:

What happens, if I may say so, is that you have to clear a particular scheme with the Income Tax if you want to make up for not having done so before and it is a subject to certain standards, equitable standards, and the payments are allowed as being considered in respect of a pension fund, otherwise it is one way of avoiding payment of tax by getting part of your pay as a contribution towards something much bigger.

HON G T RESTANO:

Mr Speaker, I must say that as far as what Mr Bossano has said his memory is not all that good. I remember when both of us were in GDM he in fact agreed with me that this was the case, we discussed it and we brought it to the House and I can assure him that this does happen. I am saying that it is very well for the Government to bring up cases to better the lot of employees in the public sector but they should also consider those in the private sector. I can assure the Chief Minister that an employee in the private sector who has contributions made towards the Life Assurance Fund by his employer, those contributions are considered to be income and he is taxed on them whereas the contributions to Government

towards their employees, whether it is either for pensions or for gratuities, but that doesn't occur really; nothing is deducible, and quite rightly so, from the employees in the public sector and I say that if there are to be no deductions as I say, quite rightly so, from employees in the public sector, there should likewise be no deductions in income tax from employees in the private sector.

HON CHIEF MINISTER:

I think, Mr Speaker, with respect, we are mixing a matter which of course is of great interest but which really is not directly concerned with the Bill before the House. It is true that up to very recently very few people who had private employees have bothered about the future, perhaps the future was not so insecure as it is now. Where I think the contribution becomes taxable is if it isn't spread over a period of years that will make it equitable because otherwise you are making a veiled contribution of income which would be tax exempt. If I may say so, in respect of the big employers the business of course is that of the union to protect their members to ensure that they have proper pension schemes as in fact it has been done in many areas of employment, not only at the suggestion of the employers themselves, which have been done in many cases, but also as a result of pressure on the part of union representations. The odd small employer with three or four employees it is really left to his conscience. The precise point that the Honourable Member is taking can be looked at in another context and that is whether in fact any schemes that are made do take into account contributions made for old age pensions. If they are, then we should try and see whether we can protect those, that is what really he is aiming at.

HON G T RESTANO:

The examples that I gave Mr Speaker, was the employee who had been with a small business for a long period of time without any provisions for pension being made by the employer because it didn't happen in those days and then with, say, 10 years to go before the man's retirement, the employer saying: "I realise I should have done it before, or the firm should have done it in the past, so therefore I will contribute to something worthwhile." You don't start contributing towards somebody's pension 10 years before he retires, it wouldn't make sense, so you go into something else, you go into something else which will provide the man at the end of the day when he retires with something worthwhile, and a life insurance policy is one example and that, as I say, is taxed as though the contribution paid by the employer is part of his wage.

HON P J ISOLA:

Mr Speaker, I would like to say something, agreeing with what my Honourable Friend Mr Restano has said on the general principles. The Honourable Chief Minister has said that it is up to the unions to get in the private sector. I won't say that the unions have proved to be ineffective in the private sector, they have not, far from it but I don't think the unions are able in the private sector to act as effectively as for example, in the public sector because in the private sector there are a lot of other criteria that the union has to look at, size of the business, the ability of the business to pay and so forth and, therefore, it seems to me that we are constantly passing legislation or bills that makes the lot of the public sector that much better. We have had the Widows and Orphans Pensions, now we have got the Pensions (Amendment) Ordinance. All the time a sector that, really, looking at the average earnings is already something like 30% better off than the private sector in terms of earnings. I am not saying that the Government should go out and pay for the balance, no. What I am saying is that the Government should be very conscious of this fact, not talking in terms of the employers in the private sector but talking in terms of the employees of the private sector. I would have thought that there was a need to allow people in the private sector within defined limits, possibly, within certain constraints, to have these benefits or these deductions from their tax and I would ask the Government to look at that point, the point that my Honourable Friend Mr Restano has made, to look at it in depth because it is no use saying let the unions look after them. The unions do a lot but there is a limit to what they can do. They can't tell a small business you either do this or else because the small business either gets rid of its employees or it is the else. I know the unions are very busy keeping the public sector on its toes. I think there is a need for the Government, when looking at legislation, to look at the interests of the private sector in certain areas, of the employers as well, and on the employees, to have regard to the situation which they find themselves that legislation cannot necessarily help, they cannot force people to have the right conditions, to have pensions schemes and all the rest of it but what they can do is give allowances to individuals who want to have this sort of insurance scheme.

HON MAJOR R J PELIZA:

Mr Speaker, one can see the validity of the argument of my Honourable Friend on the left and I think he tried to make the case but I wonder whether it has been grasped by the Government, that is, that because of the circumstances of Gibraltar, at one stage no employer ever thought of making a contribution towards a pension of some form or another towards

the employee. Suddenly, because the situation has improved financially and there is more income coming into the firm, the whole attitude towards that has changed in Gibraltar. Employers who couldn't do that before have been able to do it now. As a result in many circumstances the contribution from the employer is far greater than if it had commenced right at the beginning, say, another 10 years earlier. Consequently, the amount of money that the employee is being taxed for is out of all proportion to what he would have been even if the principle that in this instance the private individual who is not a civil servant should be taxed and the civil servant should not be taxed. I think we have two issues which the Government should look very carefully at in fairness and justice to the people, generally, so that we don't create two kinds of citizens, the civil servant and the ordinary man in the street. In this respect I think, perhaps, it is appropriate that the Government should give careful thought to see how it could be overcome. It appears to me that there is a prima facie case for giving some solution to this problem. I think the fear of tax being avoided should be and could be overcome by setting a limit, for instance. If there are limits perhaps the Financial Secretary could say so and then we could all be at ease but whether that limit, in the light of the anomalous situation of the individuals who suddenly are now being considered towards a pension, I wonder whether that has been taken into consideration. Perhaps, ten years before, first of all because the income level was very low, it might have paid hardly any tax and also because the income tax level was so low but now the situation is very different. The income is much higher, the taxation amount is much higher and therefore I think that whilst the employer is trying to put right something that was wrong, the Government is not doing its best to do the same thing towards those employees.

HON CHIEF MINISTER:

If the Honourable Member will give way. What cannot be expected is that the employee should pay for the neglect of the employer in years back not having done anything for him and wanting to put half the burden of that on the employee whom he has not protected. That is the difficulty, that is where the limitations as we will look at the Income Tax Ordinance will show. That is why some schemes are allowed and some schemes are not allowed.

HON MAJOR R J PELIZA

Can I put forward another point, Mr Speaker. We have chosen a day from which this is going to be applied. On what basis have we chosen that date? Are we victimising people one way or another and perhaps the Financial Secretary can explain why because to me it seems a little bit unfair that after a certain date people should be all right, should get it, and before that date they should be left out.

HON W T SCOTT:

Mr Speaker, I would like to reiterate what has been said by the Honourable Leader of the Opposition. That is that as time has gone on, and I said it this morning on the Widows and Orphans, there seems to be an imbalance between employees of the public sector and employees of the private sector. I don't know why this should be so and perhaps the Honourable and Learned Chief Minister thinks that come election time he gets a lot of his votes from the Civil Service, it is not for me to say, but as time has gone on, we get legislation of this type which we all welcome but as far as we are concerned it is only half of what should be brought to this House. We had it this morning, we have it now again, and it seems to me, before it gets to a situation, because employees both weekly and monthly paid, according to the last employment survey, received considerably more than employees in the private sector and here we are now again suddenly forgetting the privately employed employees. I think before we start continuously and in time to come again improving the lot of the civil servants and Government employees, surely the Government should take a very long and serious look at the employees in the private sector and in asking the Government to do this perhaps members of my party on this side of the House could also do the same for the union representative in this House.

HON J BOSSANO:

Let me say that the Government in this piece of legislation is not giving a privilege to public employees that is not already enjoyed by private sector employees. There is not one single pension scheme in the private sector which abates the pension because of contribution to social insurance. In the piece of legislation we are actually looking at, Mr Speaker, what we are doing is giving something to people in the public sector which those few in the private sector who have got pensions already enjoy, that is what this Bill is doing, so let us be clear about that. It is not giving something to the public sector that doesn't exist in the private. It is true that very few people in the private sector have got pensions, that is true, and in fact the few that have got it are white collar workers. There are practically no industrialists with pensions. It is also true that every employer in the private sector, to my knowledge, say they cannot afford to have pensions, that is also true. I can assure the House that the Union is committed to bringing the terms of employment of people in the private sector into line with the public sector and the resistance is because employers tell the union representatives in negotiations that they cannot meet such a claim and for the practical reason that the Leader of the Opposition has mentioned that no union is interested in actually busting an employer because that doesn't do anything for anybody, they limit what they settle for to the extent that they believe

that they are not being hoodwinked and that the picture painted by the employer is a genuine one and that the employer cannot afford to go beyond that. I think that is as far as what we are doing here, which I support completely. I opposed this a long way back, Mr Speaker, when in fact, there was an attempt not simply to recover the contributions but even to recover the actual pension increases. Several years ago, if my memory doesn't fail me, I am going back to 1974 or 1975, the position was that the employers were, and this was particularly reprehensible in the part of the Ministry of Defence and the DOE, because we had a situation where every time that the House legislated an increase in old age pension like we did earlier on in this meeting, the increase was compensated for by a reduction in the pension of the UK Departments so that in fact we are not giving the pension to the pensioner, we were giving the pension to the employers and the chap was getting the same money. This was corrected by limiting the claw-back to a fixed sum which was related to the contribution and not to the actual benefit, to the contribution that had been made going back to 1940, a fixed sum. As I understand it, what we are doing is eliminating that limited claw-back. That limited claw-back has only existed in the public sector, it has never existed in the private sector. There are, to my knowledge something like 10 or 12 pension schemes in operation in the private sector and none of them have got a claw-back because of the social insurance contribution. As regards the other point that has been raised on the question of the taxation of contributions, Mr Speaker, the Income Tax Ordinance says quite clearly: "Contributions by an employer to a provident or other fund for the benefit of its employees, such funds having been approved by the Commissioner, provided that a contribution which is not an ordinary annual contribution shall be allowed as an induction". So the Commissioner can either consider it to be part of one year or spread it but the point is that in fact the employer can deduct that contribution from his income in making his tax return from the profit of a business, so it is an expense to the business. If we are being told that the contribution by the employer to a provident fund is then treated as income in the hands of a beneficiary then, in my judgement, that is wrong, that is an incorrect interpretation of the law and that should be stopped.

HON G T RESTANO:

If the Honourable Member will give way. If I may refer to Question 219 of 1977, which dealt with these matters. I put the question in and I would just like to quote the Honourable Member's supplementary. He said: "I would ask the Financial and Development Secretary, in the light of his answer, whether in fact an employer contributing to an endowment life policy which does not pay a lump sum but pays a sum after achieving a certain age, would in fact qualify as contributing to a pension scheme and be exempt from tax in view of his answer?"

HON J BOSSANO:

As far as I am concerned, Mr Speaker, the law is perfectly clear. It is not a U tum apparently I am saying there what I say now. I am saying the same thing. As far as I am concerned, Mr Speaker, the position is, of course, that if the Government or the Income Tax authority are taxing people on money they don't receive, on money that is being received by an insurance company, then that is totally wrong. I don't see how somebody can be taxed on income. Even if they wanted to make it taxable I would have thought they would have to wait until the person receives the benefit before they can tax it. I don't see how they can tax people on income they do not receive. The Honourable Member says they can. Well, in that case, certainly, Mr Speaker, I cannot see how the Government then, makes no attempt to tax I think the point that was made was not in fact in respect of the contribution of the employee but of the contribution of the employer and therefore, by analogy, then the Government should be considering that the cost to the Government of the pension scheme, that is income in the hands of the employees even though the employees don't receive it.

HON CHIEF MINISTER:

If the Honourable Member will give way. I have had one or two experiences of this with the Income Tax Authority. It is with the approval of the Commissioner of Income Tax, and the Commissioner of Income Tax looks carefully at every scheme to see whether it is a bona fide scheme or a scheme in order to avoid the payment of tax, which is a different thing. Each scheme is looked at on its merit to see whether it is a proper one or one by which you will get a lump sum at the end and in the meantime you are exempt from payment of tax, that is, delayed salary rather than a contribution to a pension fund. That is the test that the Income Tax Commissioner applies.

HON J BOSSANO:

I myself have got no direct knowledge of cases involved in this, Mr Speaker, but I must say it does seem to me that it is a very odd way of applying income tax legislation if people can be taxed on income that they don't receive. How can it be income if they don't receive it? It would seem to me that even if it is delayed income then, surely, it should become taxable when it is actually paid across. Let us assume that it is a tax avoidance scheme rather than a genuine pension or gratuity, which certainly the ones that I know about and the ones that we have negotiated are not that. The ones that we have negotiated the employer is actually putting money aside so that when people terminate they have got a gratuity and a pension. In most cases it is

a gratuity only because of the difficulty of relating the benefit to the eventual final salary. The difficulty in pension schemes in the private sector, Mr Speaker, is what do you relate a pension to? If you are relating it to somebody being paid a fixed sum when they retire, a pension of £50 a week, that can be quantified and costed, but if you say the pension will be half of the final salary, there is no way of knowing what the final salary is going to be in 20 years time, and no insurance company will be prepared to guarantee those sort of benefits without extremely high premiums which are in the region of 20% odd of the actual wage bill which most employers say they cannot afford. If we had the situation where an employer was paying 20% into a scheme, most of them are in the 10% region and the ones that I am aware of the employer is paying something like 10% of its gross salary bill to pay the premium in what are in effect endowment policies which pay a lump sum or an annuity at the end of the working life. If that was then added at 10% of the gross salary and the person was taxed on the 10%, he is better off getting the 10% in cash. There is absolutely no point, he is not receiving that 10% if he is going to pay 50% of it in tax and not be able to spend the other 50% until he is 70. He might as well take the 10% now. If that is happening I am surprised I have not had a queue of people coming to see me to complain about it, they must be very isolated cases. But I would say that the point that Mr Restano was making in that context then is that if that is the treatment to some groups then in terms of the Government's own contribution on its own employees, the employee can be said to be getting 20% more notional income than they are practical income because that is what it is costing the Government to finance the Government pension scheme and nobody would dream of saying to people in the private sector: "Your income tax is going to be on the basis that you earn 20% more than you actually earn because eventually you will get a pension. That would be totally unacceptable and I think that that point although I don't think it arises directly from the amendment that we are doing because the amendment in fact eliminates one of the few areas where the public sector is at a disadvantage, I certainly think that the point is a very valid one in relation to the income tax and I do not see how it can be all that easy for the Commissioner of Income Tax. If somebody is making a payment to a fund to pay somebody a pension in 20 years' time, it seems to me to be stretching the point a bit to say that this is just deferred income. The chap may not be alive in 20 years' time. If you are doing a couple of years before he retires, then it might be a bit suspect. If somebody is 63 and he is going to retire at 65 and the employer is saying: "I am going to put £5,000 a year into a pension fund for you for two years" then that is clearly deferring income for 24 months. As I understand it in the UK there are very generous concessions even for self-employed people to contribute to what they call a personal pension scheme where the chap can

put a lot of money in because even a self-employed person or a small businessman whose livelihood is dependent on the business, will reach a point when he hasn't got an income coming in from the business when he cannot run the business himself any more and the man is entitled to make future provision for his old age and he is entitled to benefit from that just like employees are so I wouldn't think that we should in that respect follow the UK legislation as regards the treatment of income which is relatively generous in that respect because it recognises that small businessmen and self-employed people should be allowed to defer part of their income to provide for a pension for themselves for their old age and I don't think that that is really a tax evasion scheme, I think that is giving up present consumption in order to provide for future security in old age. To me it seems a legitimate way you know to organise the distribution of one's income as between present income and future protection and that the law should not in fact be used to prevent people from doing this. I think that that point is something that Government should certainly look at outside this. I would like to bring another matter of principle on the question of pensions and that is that the House is still waiting, Mr Speaker, and I raised this in the last House of Assembly, for the amendment on the application of counting years of service in respect of part-time service in the Government. I cannot for the life of me see what is so complicated about this change that we still have made no progress and I can tell the House that at a Union level the Unions are unable to even start negotiations because the Government is still studying it and the Government is not yet in a position to give clearance for the actual negotiations. I don't know whether we require a change in the actual principal Ordinance to allow this to take place but I note that in the subsidiary legislation under the directions made by the Governor on the 31st December, 1970, we have got that part-time service of at least 18 years does count provided that it is continuous with full time service and as I understand it for the payment of gratuity but not for the payment of pension. That makes the situation even more ridiculous. We have got a situation today where in the public sector the UK departments brought their pension scheme into line with UK and they backdated it to 1972 which was when it was done in UK so as to allow all those with service in a part-time capacity of 18 hours or more to count those years pro-rata, so they don't count as full years, obviously, they count as half years because of the service. In the case of the Gibraltar Government the Pensions Ordinance which has been under study now for I think for something like 3 years, is full of anomalies but one clear anomaly is that we have got people with part-time service, they can count their part-time service for gratuity but they cannot count it for pension and they can count it for gratuity provided it is continuous with a full-time service. The area of people involved is not very large. We are not talking about hundreds of people in the civil service being in that situation but we have got one

specific area, Mr Speaker, where the biggest group are and this is in the area of the Medical Department, I would say that probably something like three quarters of those affected by being deprived of pension rights are part-time nurses because it is not uncommon in the hospital service for young girls to go in as full-time nurses and then to revert to part-time nurses when they get married and have a young family and then at a later stage when the children have grown up to go to full-time service. They have got continuous service in the department and yet there is a break in service because the period at the heart of part-time service doesn't count and when they retire they retire on a very reduced pension which does not reflect the total of the service that they have done. We have already got a number of people who have retired on that basis and who are in fact constantly ringing up to find out what progress has been made on this and I cannot for the life of me see what is the obstacle or the complication in putting right something that is a clear anomaly because the provisions are already there and which would be, in my judgement if it requires an amendment, an amendment of no greater magnitude than the one that we have passed on the Widows and Orphans Pensions, an amendment which would again affect very few people and would consequently cost very little money and, in fact, one which may not be necessary in terms of the principal Ordinance at all because if in 1970 it was possible to count part-time service for gratuity by directions given by the Governor, then I don't see why the same cannot be done in respect of the pension rights. I would really urge the Government, talking on the principle of the thing, since they are concerned to remove anomalies, to remove this one once and for all because it is a situation which is unsustainable and the trouble is that of course when you are talking about pension rights you are talking about people who are coming out of service and people who have been retired for many years and people who die, so it is no good coming to this House and making it retrospective. I really urge the Government to give this matter the urgency it merits and of course there is a commitment from this House. We passed a unanimous motion in this House accepting the validity of the argument and saying that it would be done a very long time ago, Mr Speaker.

HON ATTORNEY-GENERAL:

Mr Speaker, if I can just speak on the last point about the amendment of the pensions legislation to deal with part-time service. I agree it is not a complicated matter and I also agree that it can be done by subsidiary legislation, an amendment to the Ordinance is not necessary because what we are talking about is a definition of service that counts and if I can give a progress report on it, that is not the only item which needs to be dealt with in relation to the meaning of the terms service that counts, there is another matter which

is also to be dealt with and if I can express myself this way, it is really now a matter which lies in the hands of the draughtsman, namely, myself. My object has been to have that out as nearly as possible at the same time as this Bill is passed. I have not lost sight of it, I was going to aim at clearing it with Government and bringing it out approximately at the time when this Bill becomes law.

MR SPEAKER:

Perhaps the Financial Secretary would like to reply.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

First of all, Mr Speaker, perhaps I might explain my somewhat provocative intervention when the Honourable Mr Bossano was saying that no tax authority could tax a person on what they didn't get, and I said they can. I didn't particularly mean Gibraltar, anywhere. For example, if you are provided with a house free or at a subsidised rent by a company, you can be taxed on the difference between the subsidised rent and the rent that should be charged. If you are provided with a car by your company, that can be added to your tax, too, and also if you purchase shares in a scheme which pays no dividend but at the end of a period when you sell them you get the whole capital sum, Her Majesty's Inspector of Taxes in the UK is now saying that the capital sum which is accrued each year to the fund can be charged as income although you receive no income and there is a case going to the House of Lords on it. So, rather like Parliament, taxation authorities can do all sorts of things but I am sorry, I think the Honourable Member took it as meaning Gibraltar but it was in general. First of all, Sir, I should say that I fully appreciate the points made by speakers on the other side of the House and also by my own colleagues and, clearly, there are some areas that need to be looked at. I will remind the House of one which the Opposition didn't pick up. I think it was either at the last meeting or a meeting before last, we brought in a provision where Government employees who get a benefit percentage on their gratuity at the end of their service of two years receive a tax free gratuity and at that time members of the House said why should this be and why cannot it be done for the private sector. I did explain then that we would look at it and we are looking at it but there is a problem in my experience in finance and that is that however closely you draw your legislation in order to stop a scheme being twisted so that it is arranged that an employee receives a lower salary, a benefit, to avoid income tax, however carefully you draft, and I say this with great respect to you, Mr Speaker, and to the other learned gentlemen in this House, a clever lawyer will get round it and you will spend the next 3 years drafting to block the loopholes. I am advised by a competent authority, in other words, the Commissioner of Income Tax, that under Section 6(1)(b) of the

Ordinance, an employee is charged tax on benefits in kind. If an employer pays the premium on the life insurance of an employee such premium is deemed to be a benefit in kind. The employee has the free premium added to his remuneration as part of his emolument. However, under the provisions of Section 22, the employee is allowed a deduction of the premium subject to certain statutory restrictions and these are that it is not more than 1/6th of his assessable income and not more than 7% of the capital sum insured so that there is a relief provision in the Ordinance. A contribution made to an employer to an approved pension scheme is not deemed to be a benefit in kind in the hands of the employee and is allowed as a deduction in arriving at the taxable profit of the employer. In the absence of specific legislation for pension schemes which would normally receive approval by UK Inland Revenue Superannuation Office, here they receive the approval of the Commissioner of Income Tax. All that having been said, I think that we do need to look at our legislation in these areas to ensure that there is an evenhandedness between the public and the private sector. This, Sir, I will put in hand.

MR SPEAKER:

You did promise to give the explanation as to how you arrive at the precise date.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The 1980 figure. That is when it was introduced in the UK but why they introduced it in 1980 in UK I am sorry I don't know. We are merely following the UK practice.

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, if necessary, today.

This was agreed to.

THE SUPPLEMENTARY APPROPRIATION (1982/83) (NO.2) ORDINANCE, 1982

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, 1983, 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 £217,600 out of the Consolidated Fund. The purpose for which this sum is required is set out in the Consolidated Fund Schedule Supplementary Estimates (No.2) of 1982-83 tabled at the commencement of this meeting. The Bill also seeks to appropriate, in accordance with the Section 27 of the Finance (Control and Audit) Ordinance, the sum of £216,258 from the Improvement and Development Fund as set out in Schedule No.2 of 1982-83. Sir, I would like to draw attention to three items. First, the appropriation of funds to provide additional tourist promotional activity in the United Kingdom and Morocco. Second, the need to commission independent enquiries into the state of two locally registered finance institutions. I referred to this in the answer to a question yesterday. Third, following receipt of tenders, it has been necessary to revise the estimated cost of the motor vehicle examination centre. This project is required to improve road safety and will also contribute towards a better environment. A project application seeking ODA funds for this project was submitted last month and we are awaiting their reply. Mr Speaker, Sir, I see a certain amount of puzzlement on the faces of Members about the project application and perhaps I should explain why this was done. When I was in London recently and discussing aid projects with both the ODA and HM Treasury, I put it to them that there were certain projects which, because of urgency with the opening of the frontier, we had started and gone to tender stage and in fact some of them are completed and we had not had time to go to ODA for the money and in fact at one part of the time ODA had not agreed a tranche of aid, but that had there not been the urgency of the frontier, we might have wanted to do the work but we would have put them forward as projects for the development of the environment, tourist purposes, etc, in Gibraltar. They accepted that there was substance in the argument that certain projects which had been started and possibly finished or where we had gone out to tender, which would normally not qualify for aid because the project must be approved in advance, would be considered if we cared to make a case. Accordingly, and I think that the Honourable the Minister for Economic Development mentioned this yesterday, we have put forward a number of projects I think totalling somewhere in the region of £300,000 for development aid from ODA and I hope that they will be received and looked at early. I commend the Bill to the House, Sir.

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:

Sir, I think the Honourable the Financial Secretary, I hope I am wrong is a little optimistic. Mr Speaker, as far as we are concerned we are interested to have heard what the Financial and Development Secretary has said but we rather talk on the general heads 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:

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, possibly, today.

This was agreed.

COMMITTEE STAGE

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that the House should resolve itself into committee to consider the following Bills, clause by clause.

- (1) The Control of Employment (Amendment) Bill, 1982.
- (2) The Landlord and Tenant (Miscellaneous Provisions) (Amendment) Bill, 1982.
- (3) The Specified Offices (Salaries and Allowances) (Amendment) Bill, 1982.
- (4) The Landlord and Tenant (Temporary Requirements as to Notice) (Amendment) (No.2) Bill, 1982.
- (5) The Elderly Persons (Non-Contributory) Pensions (Amendment) Bill, 1982.
- (6) The Prison (Amendment) Bill, 1982.
- (7) The Widows and Orphans Pensions (Amendment) Bill, 1982.
- (8) The Stamp Duties (Amendment) Bill, 1982.
- (9) The Loans Empowering (1981-86) Bill, 1982.
- (10) The Pensions (Amendment) Bill, 1982.
- (11) The Supplementary Appropriation (1982-83) (No.2) Bill, 1982.

This was agreed to and the House resolved itself into Committee.

MR SPEAKER:

Perhaps at this stage the Honourable the Attorney-General may wish to give an explanation because there was another Bill on the Order Paper which has not been dealt with, The Public Service Commission (Amendment) Bill, 1982.

HON ATTORNEY-GENERAL:

I apologise for not mentioning this earlier. With the leave of the House we are not ready to proceed on this Bill at the moment.

THE CONTROL OF EMPLOYMENT (AMENDMENT) BILL, 1982.

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

Clause 4

HON W T SCOTT:

Mr Chairman, may I ask why this enormous increase both on sub-clause (a) and (b) from £25 to £500? Is there a valid reason for it or is there perhaps a sinister reason, what is the root cause of the problem? What appears to be the root cause of the problem to Government?

HON ATTORNEY GENERAL:

I assure the House there is no sinister reason. It was felt that the penalties were too low and were proving ineffective and this is an increase to a level which was thought would provide a deterrent effect. In practice, of course, I realise it is in practice and not in law, but nevertheless, it is a very real practice, it is most unusual for a Court to impose a penalty approaching the full amount but of course the purpose of increase is in the hope that the courts will impose penalties which are substantially higher than they are at present.

HON P J ISOLA:

Mr Chairman, I appreciate that this idea is the hope that the Courts will put a higher penalty but this has been rather the day of high increases, Mr Speaker, in possibly small matters. There has been enormous percentage increases put before the House in a number of Bills to which we have agreed but £500 is an enormous increase. I appreciate that the Bill has brought in a provision to enable an employer to appeal, but what area of control of employment is the Government worried

about? Is it in the retail distributive trade or is it in the building industry or where is it that the problem lies to bring about these very severe penalties of £500? We do think they are much too high.

HON J BOSSANO:

If the Honourable Member will give way. The Honourable Member seems to forget that there was a motion that I brought to the House which had the support of everybody which asked the Government precisely to do this, to introduce very stiff penalties to act as a deterrent to those few employers, obviously in the private sector because in the public this does not happen, who are employing illegally people without work permits, that is what this is for and in fact if the House will recall in the first reading of the Bill, I raised the point that whilst I fully supported the penalty of £500 to prevent people from using illegal labour because in fact they are undermining the whole of our structure, they don't pay insurance, they don't pay tax, they are undermining the competitive position of good employers who comply with the law, there were many other technical matters in the Ordinance where the law might say: "You have to hand the work permit in within a week." Employers take a month and it would be nonsense to take somebody to court because they have taken more than a week to hand in the work permit. I was told by the Attorney-General that the fact that the figure there was £500 didn't mean that the courts would have to impose £500. Obviously for any minor technical infringements to the law it is extremely unlikely. In fact, I think at the first reading I made the point that I thought it would be desirable to separate the two things, to put the heavy penalty for what we really want to control, which is to stamp out illegal use of labour and perhaps to keep smaller penalties for other things but if there is no danger of it happening then as far as I am concerned I am prepared to support it.

HON ATTORNEY-GENERAL:

Mr Chairman, I would like to be quite clear on the point. If the law says that the maximum penalty may be £500 then of course the maximum penalty in theory may be £500 but I do feel quite confident in saying myself two things. First of all, that even though £500 is a large increase, I think it is still on today's economics a penalty at a level albeit heavy which is really a summary type of penalty. The structure of this Ordinance is quite simple as far as penalties are concerned. There are only two sections which deal with penalties. We haven't brought forward amendments to distinguish different grades of offences. I do stress that theoretically the penalty could be £500 for any offence but I am quite happy that in practice the Court will do three things. It will not in the

first place, impose a penalty approaching £500 except perhaps in a very flagrant case of fault on the part of the employer and I think that in the technical offences or the lesser offences, it will impose a fairly nominal penalty.

HON A J HAYNES:

Mr Chairman, on this point of the extent of fines which can be imposed, I take the point of the Honourable Member on my left who expressed a sense of anger against those who employ people without work permits because they are not contributing to the society in terms of social insurance and taxes, etc. Whereas we cannot condone such a practice as such, we do nevertheless welcome that other part of the Bill which gives a worker the right of appeal to a decision to revoke a permit. I am not sure, Mr Chairman, whether that definition to revoke a permit means that you can appeal in the event that it is taken away from you or whether it means you can appeal if it is not granted to you in the first instance. It is all very well having heavy fines to prevent the wicked employer from exploiting labour but at the same time it must be possible not only for the employer to ensure that he is given a proper work force from which to select an employee but also for the employee to be given a fair opportunity to belong to that legal work force.

HON J BOSSANO:

If the Honourable Member will give way. Mr Speaker, the point is that we are talking about people who are not already in Gibraltar. The people who are already in Gibraltar legally and they have been given work permits and if he ceases their employment in one place they register as unemployed and they are part of the existing quota. We are talking about the fact that we have got at the moment something like 3,000 legal workers in Gibraltar with work permits and an unspecified amount of non-EEC nationals because we have also got 300 million EEC nationals who can come in and out without a work permit, and an unspecified number of people who would require work permits under our present legislation. The system today is de facto controlled by the physical and geographical isolation of Gibraltar. It doesn't take much imagination to envisage a situation when Gibraltar is not geographically isolated where people can come in in the morning, work during the day without any permit, without any insurance, without being paid union rates, collect a cash sum at the end of the day and disappear overnight. Unless there is a serious deterrent to doing that the incentive to do it is very great and people will not bother to get a permit, why should they, and that is what this is about.

HON A J HAYNES:

I understand what the Honourable Member is saying but the Honourable Member doesn't seem to grasp what I am saying as regards the control of the quota. This quota has very definite and very serious threats to the right to work and we also are concerned that you cannot put a square peg in a round hole.

MR SPEAKER:

I fail to see where the quota control comes in within the Clause 4 that we are discussing.

HON A J HAYNES:

Well, insofar as the penalty would be imposed if the employer does not comply with the law. I was trying to make my point now as to what will happen to him if he does not comply. I would like to say also that the sum is too high unless certain things are taken into consideration. You cannot put a square peg into a round hole and if the quota list of those who may work

MR SPEAKER:

Could we possibly be told which is the round hole and which is the square peg so that we may know what you are talking about.

HON A J HAYNES:

We are going to have a quota in which the men who are sent to the employer are people who want to do the work and are suitable for the work. If the quota system is such that it has ingrowing problems then it is inevitable that the employer could try and get round it. If we don't agree with the way in which the quota system is being run we cannot therefore albeit we understand and accept the Honourable Member's point agree that the penalty should be £500. That £500 does not take into account the genuine problems that exist in terms of the service industries.

MR SPEAKER:

With respect, what you are saying is that there should not be a quota. What the Ordinance is dealing with is a penalty for a breach of the existing legislation. Let us for goodness sake, direct ourselves as to whether the penalty is commensurate with the gravity of the offence but not as to whether the offence has been created.

HON A J HAYNES:

I agree with the protection afforded by a quota system but we

are not sure whether that system is being run with the efficacy which entitles anyone who breaks it to a fine of £500. If we are not confident that that quota system is 100% foolproof, then there are circumstances in which the Ordinance could be broken and it has not been broken by a man who is simply trying to avoid his debts and obligations to the community which is the only instance that my friend has cited. I believe, therefore that that £500 fine should be reduced to take into account the effect of the problems within the quota system which we believe will increase as we attempt to diversify the economy. Diversification of the economy means people working in different jobs. This requires flexibility within the quota system. And if we are confident that that flexibility exists within the quota system, then we will go along with a heavy fine but if we are not, we cannot accept a heavy fine, and that is why we feel the £500 fine is too excessive.

HON J BOSSANO:

Mr Speaker, I don't know who "we" is because in fact the House have approved a motion and the member didn't make any of those points then when the matter was debated. The House approved a motion deploring, in fact, the use of illegal labour without the necessary permit, asking the Government to reinforce the machinery of the Labour Department in order to catch those people who break the law, and asking the Government to legislate in order to introduce tougher penalties.

HON A J HAYNES:

There is answer to that point. Whilst we said we do not approve of illegal labour, we have asked the Government to direct their minds to particularly this problem. There is the case that jumps to mind which may be of assistance to my Honourable Friend. We are concerned, for example, with the car parking problem.

MR SPEAKER:

We are not concerned with the car parking problem in this debate. With due respect to you, you will direct yourself to the matter before the House and nothing else.

HON A J HAYNES:

Sir, I shall always respect your rulings, but am I entitled at this stage to make an analogy to clear a point which I am trying to put across?

MR SPEAKER:

If you tell me what the point is that you want to clear then I will tell you whether you can make the analogy.

HON A J HAYNES:

The point I am trying to make is we can go along with certain legislation but at the same time deplore its lack of totality. We have in the past, for example, asked Government to do certain things. Now, if they come back and do half of those things.

MR SPEAKER:

With due respect to you, this legislation, I have no doubts in my mind, is putting into operation a motion which was unanimously agreed by the House.

HON A J HAYNES:

But not in its entirety, Mr Speaker.

MR SPEAKER:

Fair enough, but that is another matter.

HON A J HAYNES:

That is our reservation. Were this Bill to represent that motion, were, for instance Government to do what we said not only to the letter of the law but to the spirit of it, there would be no difficulty in accepting this heavy fine, Mr Chairman. But the position is that that is not the case. The flexibility that we require is not there so therefore though we stand by the motion as enunciated at an earlier date, we do not feel that this has captured the entire spirit of that motion.

HON CHIEF MINISTER:-

Mr Speaker, there are three things here. First of all, there is the motion which was brought by the Honourable Member on which we have acted. Secondly, at the time when he brought it the immediacy of the opening of the frontier was very close, we were near to that and we wanted to avoid not only what may be happening now in a small way but what could happen in a big way. Thirdly, the maximum is always a deterrent for the worse cases but as we all know and we have been complaining earlier in these proceedings, we did increase the fines in respect of litter and so on and it has no practical effect. In fact I did say in the course of that debate that I proposed

to ask the Legal Department who are the legal advisers of the Government, that when the next case came up to send somebody from the Legal Department to impress upon the Court the gravity with which we look at that offence. So would it be in cases like this. A breach of the law could mean in certain circumstances over a short period considerably more benefit to the employer than the £500 fine so there is an element of proportion in it. An unscrupulous employer in an open frontier situation could over a period of 4 or 5 weeks before the matter is detected, take 10 or 20 people, avoid paying income tax, PAYE, contributions and everything. What we have done is to carry out the spirit of the motion.

HON P J ISOLA:

Mr Speaker, I raised the question but unfortunately because of the enthusiasm among other Honourable Members to speak I wasn't able to carry on what I wanted to say. Let me say of course that people who are employed contrary to the provisions of the control of Employment Ordinance are guilty of an offence and we do not wish in any way to condone that, obviously. Of course we deplore the use of illegal labour but I think what my Honourable and Learned Friend was trying to say was that it is important at the same time as you hit hard the chap who is employed illegally, it is important to try and produce within your working population the flexibility, the adaptation to change in accordance with the changing times of Gibraltar, I think everybody would agree with that. For example, shop assistants, try and get young people before they leave school interested in it, try and get people proud in their work, training courses do that. But the point I am trying to make is that I think it is important in deciding penalties to have some consistent policy. For example, you have to equate penalties in our different legislation. There should not in my view, be a particularly punitive penalty in one Ordinance and in another one for an offence which possibly a great number of people might consider to be a far worse offence than the one we are talking about, have a maximum of £100. That is what I was concerned about mainly, that if for example under the Litter Ordinance the maximum penalty is £100 then one should have some proportion in this Ordinance. The Criminal Offences Ordinances have various offences that have a financial penalty and we shouldn't find that this particular Ordinance stands on its own with a huge maximum penalty which is not found in the rest of our legislation. That could be used against us as a matter of fact I would have thought and that is why I was asking the Honourable and Learned Attorney-General whether he did not think the fine of £500 was too high. I know what the Honourable and Learned Chief Minister says, that the Courts don't always give the maximum penalty, I know, and we might as well put £3,000 as a maximum penalty but if you do that in this Ordinance, Mr Speaker, then you have got to

make all your penalties consistent. One thing that Courts do do, I find from experience, is that they have their way of proceeding and their set of penalties. Most people know that if you are in for this you get so much, if you are in for that you usually get a sentence in practice. For there to be justice there must be consistency. In respect of this Bill I question whether £500 is not too high. I do not wish to mean by that that it is not a serious offence, I do not wish to mean by that that we endorse or condone the legal employment of labour. All I say is that policy in fines in our ordinances should be consistent right through and I think that £500 is too high. I think £300 is just as much a deterrent as £500 and I think it would look better in the general background of our legislation if we substituted £300 for £500 and I would like to ask the Honourable and Learned the Attorney-General, perhaps he could let us know, perhaps there are other Ordinances which do have this high penalty for offences and perhaps if we could have an idea of them then we could equate them with this particular law.

HON ATTORNEY-GENERAL:

I couldn't do that immediately but I can I think answer, in principle, the points raised by the Honourable and Learned the Leader of the Opposition. In the first place as I see it, really, if one is looking at penalties, you can distinguish three types of penalty. Those which provide for what the public would regard as a crime, and that is characteristically imprisonment or perhaps a very high fine. But I think everybody understand the difference between what is a crime and what is an offence, shall we say. The next main class I think is this class. I don't mean this particular item at the moment but the class of summary offences which most people wouldn't regard as criminal with the same overtones as they would a crime and which are dealt with summarily. There is a third class which I think is irrelevant here and that is the class of offence where you can have a very high penalty but it is really for economic reasons or technical reasons. I cannot think of any in Gibraltar but one I know of elsewhere is when they have introduced new fishery laws, to enforce the law they have imposed extremely high penalties in some countries and they provide that they can be recovered summarily. The reason for that is not because breaching the fishing law is necessarily a great crime but there is so much money involved that that is the only way to deal with it. This, in my view, is a case of a summary offence and I agree at once that it is at the top end of the summary offence scale but the fact of the matter I think is that the Government views this as a serious kind of summary offence at present. As to whether it should be £500 or £300, could I explain a little further, that at the moment during the course of our reprint the Commissioner, with our help is reviewing the overall scale

of monetary penalties because they can get out of date of course and if I may say so with great respect, I think the distinction between £300 and £500 today is rather a fine one. I think one is either talking about a nominal £20 offence within the context of the summary offences. £100 is another level of gravity. I think you could possibly have a level of gravity of around £200 and then I think you are up into £500. I see this, as I say, on the high side for a summary matter but nevertheless one which reflects Government policy towards the importance of this particular statute. Can I mention one other point by way of clarification and also I think to help emphasise why £500 may be necessary here. Certainly my Chambers can go to court in cases and present cases, I am sure that the Chief Minister has briefly overlooked this but there isn't any real scope for us to speak in court on sentence. But if the upper limit is £500 and bearing in mind the practice of the Court, I think it has to be at that level if a reasonably deterrent penalty is going to be imposed by the court. I would be surprised if any penalty is imposed which exceeds £200 in any case. If we have a £300 limit apart from the point I made before to the effect that I think the distinction between £300 and £500 is rather a fine one, we are likely to end up with penalties of £60 and I don't think that is what we are looking for.

HON P J ISOLA:

Well, Mr Speaker, obviously it will not be passed but I think I would like to move that the sum of £500 be reduced to £300. I won't say anything in favour but I do feel it is too high having regard to the other offences.

Mr Speaker 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 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 J Bossano
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 F J Dellipiani

The amendment was accordingly defeated and Clause 4 stood part of the Bill.

The long title was agreed to and stood part of the Bill.

THE LANDLORD AND TENANT (MISCELLANEOUS PROVISIONS) (AMENDMENT) BILL, 1982.

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

Clause 2

HON P J ISOLA:

Mr Speaker, with respect, I was told the Government was not going to proceed with Clause 2 of the Bill at the last meeting of the House. That is why I didn't address the House on the second reading with regard to Clause 2.

HON CHIEF MINISTER:

The Honourable Member was not agreeable but if there is some confusion perhaps we could leave it over and proceed with the rest and let me look at it. I thought we were dealing with the transitional provisions Ordinance.

MR SPEAKER:

This is the Landlord and Tenant (Miscellaneous Provisions) (Amendment) Ordinance and this is not the moratorium.

HON CHIEF MINISTER:

My understanding was that in order to get it through then for the increase that was intended and Honourable Members opposite did not want to give way and have it read at that time, I said that I would be prepared to withdraw that other part if it was agreed then. As they did not agree nothing happened and it has come back as it was.

MR SPEAKER:

Perhaps we will leave over this Bill because we are going to have a recess soon for tea and then we will take it at a later stage.

HON J BOSSANO:

As I recall the situation the Government put to the vote suspension of standing orders in order to take the Bill. I

supported the Government in order to take the Bill and then the Chief Minister decided not to take the Bill and my understanding is that it is being taken now. Let me say that I still support the Bill as I did three months ago.

MR SPEAKER:

Fair enough, we will tackle this Bill at Committee Stage when we have come back from the tea recess. Let us call the next Bill.

THE SPECIFIED OFFICES (SALARIES AND ALLOWANCES) (AMENDMENT) BILL, 1982

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

Clause 2

HON CHIEF MINISTER:

Sir, I have circulated an amendment which I explained in the second reading and that is that whereas we cannot cover in this Ordinance the 1982 review because it is subject of negotiation, in respect of the Governor who is not represented by any Union in respect of his salary, which has been agreed after consultation that it should go up from the 1st of July 1982, I beg to move that the reference in the Third Schedule to Governor £18,000 and allowances on the third column £3,000, be amended by stating Governor £18,000 second column, third column £3,000 in brackets (with effect from the 1st July, 1981) and below that, Governor £20,000 and third column allowances £3,600 (with effect from 1st July, 1982). I explained the reason why I thought it would only be proper that that should be passed now and not wait until the rest of the matter. I so move.

Mr Speaker then put the question which was resolved in the affirmative and Clause 2, as amended, was agreed to and stood part of the Bill.

HON G T RESTANO:

There was a question some time back about the status of the Principal Auditor, that the post might either be downgraded in comparison with other similar grades. May I take it from the salary now agreed that there has been no change in the status of the Principal Auditor either way and that none is intended.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, the salary shown here for the Principal Auditor is personal to holder. The actual grading of the post for

the future is yet to be decided but as the present incumbent had been selected for appointment to the post before the question of the grading of the post had arisen, he goes into the post at its present salary and personal to holder. That is my understanding

HON G T RESTANO:

That is, Mr Chairman, the present incumbent, not the one who has just left?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, because he was selected beforehand.

HON G T RESTANO:

I welcome that.

HON A J HAYNES:

Mr Chairman, on the question of the Deputy Governor's allowance, is this allowance strictly for private entertainment and does it have any bearing with his expenses as and when he is the Acting Governor?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, it is for his entertainment as an official and it is not for when he is officer administering the Government, he then gets an acting allowance for that.

HON A J HAYNES:

Under what head would that be provided for?

HON ATTORNEY GENERAL:

It is a nice point, if I may say so. I am sure it is covered by the provisions in the Constitution dealing with acting appointments.

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

The long title was agreed to and stood part of the Bill.

THE LANDLORD AND TENANT (TEMPORARY REQUIREMENTS) AS TO NOTICE (AMENDMENT) (NO.2) BILL, 1982.

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, 1982.

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

Clause 2.

HON P J ISOLA:

Sir, I beg to move the amendment standing in my name and that is that Clause 2 of the Bill be amended by the addition of a new subclause (3) to read: "(3) Section 2 of the Income Tax Ordinance is amended by the addition of the following words at the end of the definition of "pensions" therein contained, "or the Elderly Persons (Non-Contributory) Pensions Ordinance." Mr Speaker, the effect of this amendment would be to exempt persons in receipt of Elderly Persons Pension under that particular Ordinance from paying tax on their pensions. We have had here today a number of Bills and we keep having Bills benefitting various sections of the community and this injustice that exists as between the different classes of state pensions in Gibraltar is perpetuated by the Government I feel strongly for no other reason than purely political reasons. This party has been asking for this, has made a political issue of it, and the Government is determined that that legislation should not pass and does not look at it in relation to whether it is fair or not. It merely looks at it as a political move or as a political issue. Mr Speaker, we said earlier on that there are people who get the social insurance pension, they get a substantial pension, true, they have contributed to that pension. A number of them have contributed very little and now they draw as a result a full pension tax free. The particular one that we passed an order on earlier in the day, not so many in number, true, but also receive their pension despite no contribution free of tax, and the Elderly Persons Pension which is the lowest of the lot have to pay tax. It is no use talking about the people going to collect them in Rolls Royces. True a number of people who collect the Elderly Persons Pension are people of means in their own rights but again, equally, I would argue, a number of the people who receive social insurance pension are also wealthy in their own rights. They get them free of tax, the people in receipt of Elderly Persons Pension do not. That is discrimination and is wrong in principle. What makes it worse, Mr Speaker, of course, is that as the amount of the pension goes up the benefit to the people receiving social insurance pensions and retirement pension is correspondingly greater in proportion or relative to the Elderly Persons Pension because the Elderly Persons Pension as the income goes up if they are not in the tax bracket they get into it and the social insurance pension saving is thereby that much greater. The injustice will continue every year as time goes on and I think it is time that the Government remedied this injustice that exists as between the various classes of

people receiving state pensions. We have brought this up, Mr Speaker, every year and at every budget but we are stonewalled every time by the Government majority. It is their decision, true, it is their majority that decides but I think they cannot run away from the fact that every time they vote against this amendment they are voting for injustice.

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

HON MAJOR R J PELIZA:

Mr Speaker, this is a horse that we have flogged on many occasions in this House but I think I saw a gleam of hope today when the Financial and Development Secretary said that there were a number of anomalies, generally, on this question of pensions and that he thought it was time to look and see what was wrong and what was right. It looks to me by the usual dumbness of the Government, when they haven't got an argument they just keep quiet, particularly the Chief Minister, and this is in fact one of them. This is why we see long faces on the other side of the House, Mr Speaker, and this is why they have been mute. I do hope that whilst we don't expect, and the pensioners themselves have almost given up hope and don't expect that any justice will be done on this matter, I do hope that when the Honourable the Financial and Development Secretary goes through all the Ordinances concerned with pensions which I think need some kind of revision, that he will take into account the very consistent attitude that the Opposition has taken on this matter and which for some inexplicable reason the Government thinks it is purely political and nothing else. I think it is time they realise that this is not so, perhaps even less so as more and more pensioners cease to have a vote as obviously most of them are of an age that unless, as my Honourable Friend said earlier today, Mr Bossano, unless something is done quickly for those who are still alive there will be no opportunity of putting this wrong right. Therefore, Mr Speaker, whilst clearly we are going to carry on pressing for this, clearly this will be an issue at the next elections unless it is put right, it is still not fair on the individuals for which we are putting up a case that the Government should assume that this is purely a political gimmick on the part of the Opposition because it is not. I think it is time they realised that they should come out with reasonable objective arguments as to why they don't because so far they haven't. It is simply because the argument is so strong that they cannot put up a case.

HON W T SCOTT:

I do not intend to repeat what has already been said on so very many occasions by members on this side of the House

except that my understanding of the matter as far as the Government is concerned, how the Government reads the situation, it is not so much a question of principle or policy except one of sheer economic or financial thinking, the cost of making this pension tax free. I think we voted £557,000 this year and yet when the question has been posed to Government as to how much it is going to cost, my recollection of it is that Government are incapable of replying they do not know, they say: "We do not know and it will cost us too much to find out how much it is going to cost." We never really have had an answer to that.

HON CHIEF MINISTER:

If the Honourable Member will give way. We have given an order of cost on one or two occasions. I remember one particular occasion, as it is raised every year, I do not know which year this was, it was in the nature of £50,000.

HON W T SCOTT:

Thank you, I am very grateful for that and I remember that figure.

HON CHIEF MINISTER:

Then do not say that we have never given it.

HON P J ISOLA:

An estimate has been given but not a cost and it seems to me that if in fact it is £50,000 per annum and if that figure can be taken as a correct figure then, quite frankly, what is £50,000, Mr Speaker, for the benefit of all these people most of which in fact were debarred from contributing to their own pension because contributions in those days were not compulsory.

MR SPEAKER:

Does any Honourable Member wish to speak on the amendment? I will then call on the mover to reply.

HON P J ISOLA:

Mr Speaker, it is extraordinary. Not one Minister from the Government replies. Actually there is nothing they can say, really, they cannot answer the argument, this is the real truth. £50,000, less than the money they throw away constantly on independent consultants whose advice they never follow. Much less than the money they have lost to the people of Gibraltar in the handling of the power situation. But, of course, they say we cannot give way on this, it would be the

DPBG who would mark one up and this we cannot agree to. That is their only argument this is why they have kept quiet.

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

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

The following Hon Members voted against:

The Hon I Abecasis
The Hon A J Canepa
The Hon 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 F J Dellipiani

The amendment was accordingly defeated and Clause 2 stood part of the Bill.

The long title was agreed to and stood part of the Bill.

The House recessed at 5.10 p.m.

The House resumed at 5.50 p.m.

THE PRISON (AMENDMENT) BILL, 1982

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 WIDOWS AND ORPHANS PENSIONS (AMENDMENT) BILL, 1982

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

Clause 4

HON ATTORNEY-GENERAL:

Mr Chairman, I beg to move the amendment of which I have given notice. To omit from subclause (1) the figures "1982" in both places where they appear and to substitute in each case the figures "1983". The Bill should have said 1983, the 1st of January, 1983, which is the date from which this Bill will come into operation.

Mr Speaker put the question in the terms of the Hon the Attorney-General'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.

THE STAMP DUTIES (AMENDMENT) BILL, 1982

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 LOANS EMPOWERING (1981-1986) BILL, 1982

Clauses 1 to 19 were agreed to and stood part of the Bill.

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

THE PENSIONS (AMENDMENT) BILL, 1982

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 LANDLORD AND TENANT (MISCELLANEOUS PROVISIONS)

(AMENDMENT) BILL, 1982

MR SPEAKER:

May I ask the House whether they wish to proceed now with the Landlord and Tenant (Miscellaneous Provisions) Ordinance?

HON CHIEF MINISTER:

Mr Chairman, I think we ought to continue with the Landlord and Tenant Bill. I would just like to make the position quite clear.

MR SPEAKER:

The position is that we have already done Clause 1 earlier in the meeting and we are now on Clause 2.

HON CHIEF MINISTER:

I have just had the advantage of refreshing my memory of what happened at that time and that was, first of all, that in order to introduce the Bill we had to move for the suspension of Standing Orders. In doing so the Leader of the Opposition objected to the fact that he had not had enough time and that it was not fair that they should be asked to deal with these matters at such short notice. At that time there were two interventions having regard to the fact that we went through the second reading of the Bill. I was interested at that time in getting through the part of the Bill which provided for a 20% increase for pre-war dwellings which are controlled and the matter which the Leader of the Opposition had mainly raised was the other question of tenancies of Crown Lands. When he objected to the fact that they had not had time Mr Isola said and I quote: "We have had a number of Bills with a lot of amendments, the Hon Mr Bossano has been out all morning so he has been saved the long haul on the Banking Ordinance with a tremendous number of amendments which we have not had any opportunity to consider and we do not think that we are performing our duties as House of Assembly elected representatives of the people, being given almost no notice of a lot of things. As far as the Banking Bill is concerned we realise the urgency of it and we went along with it. With this Bill" - I am quoting from page 195 of the Hansard of the 9th of July - "we haven't even had time to consider its effects or what it is seeking to do and we are being asked to suspend Standing Orders in order to pass it. Most of the Bills before this House were received by us, Mr Speaker, three days before the House sat and most of them three working days before the House sat. The Banking Bill had more amendments than there were Clauses in the Bill. I appreciate the problem, I appreciate this, but the fact is that we only have two or three days and now we get a Bill today and we are asked to

proceed on it and suspend Standing Orders. As a matter of policy, Standing Orders ought to be suspended by unanimous agreement whenever possible. I know the majority rules but I hope the Government appreciates that they are dispensing with what is the agreed Standing Orders of the House in order to do something in respect of which Standing Orders require them to give all Members of the House seven days notice at least. We have not been given notice, this Bill was not even on the Agenda for the House. We are not prepared to be rubber stamps". Mr Speaker, I replied as follows: "I appreciate the point of view of the Leader of the Opposition and we have tried to better the performance of the circulation of Bills which, unfortunately, has not been very good in the past. This Bill except for one or two areas which have been introduced and which when the Leader of the Opposition has told me that he takes great exception I told him that we were not particularly interested in pursuing, the only interest that the Government has, let me put it this way, the only positive interest that the Government has at this stage in this Bill is to give an opportunity to private landlords to have an equal amount of increase in the rents that they collect in respect of controlled premises that the Government has imposed on those of their tenants. The rest of the provisions in the Bill which were put in regarding the question of tenancy under the Crown and so on is one which we will pursue separately. We are not going to steamroll that". That was my answer to that and on the basis of that we suspended Standing Orders. The Bill was moved a first time and on that one the Opposition, other than Mr Bossano, voted against it and Mr Bossano voted with the Government and we then proceeded with the second reading. The Attorney-General introduced it, Mr Canepa spoke and Mr Isola then spoke and then introduced another element into the matter which was the question of the reflection or the effect or the fact that it was in respect of that part of the Crown Lands that would upset the Select Committee and perhaps, even generally, on the question of the raising of rents. I said this was very modest and that is how it stood. In my reply I said: "With regard to the first part, the view of the Government is as is reflected here" - I am quoting from page 204 of the Hansard - "but there are two reasons why I have asked the Attorney-General to withdraw this after having spoken briefly to the Leader of the Opposition. One reason is because in respect of one case there is a judgement pending in the Supreme Court arising out of a decision in the Court of First Instance where this point has taken and then of course there is the question of the Select Committee. This is a matter on which with the greatest respect to the Select Committee we want to see their views, the Government may have their own views. I accept fully the point, as I said at the beginning, made by the Leader of the Opposition that there has been short time to look at it. That is why I thought to make it as uncontroversial as possible in the light of the fact that we have had to suspend Standing Orders to deal with this matter prior to the recess, that we are limiting the change to what is considered to be a fair deal to the landlord of pre-war dwellings which

the Government itself has done". On the Second Reading a vote was taken and it was passed with the six Members of the Opposition voting against. When it came to dealing with the Committee Stage, I must recall that the World Cup football championships were on at that time and there was great anxiety to the match. I do not recall who were playing that evening.

HON P J ISOLA:

Brazil versus Italy.

HON CHIEF MINISTER:

I do not know who won.

HON P J ISOLA:

The Opposition were deprived from seeing it although most of the Government Ministers went and saw it. That is the position. The Chief Minister had to stay because he had to listen to the GBC motion.

HON CHIEF MINISTER:

What happened was that there were two motions on the adjournment and one Minister had to stay. But in respect of the Landlord and Tenant Bill Members were not prepared to agree that the Committee Stage and Third Reading should be taken then hoping that that would adjourn the proceedings and they would be able to see Brazil and Italy.

HON P J ISOLA:

That is absolutely correct, Mr Speaker. I confirm that view.

HON CHIEF MINISTER:

I said that if that was the way you wanted it and you were not going to give way on this because you wanted to go then I said I would leave it until after the recess and therefore we did not proceed with the Committee Stage and then of course you, Mr Speaker, when I proposed the question for the adjournment you said that notice had been given of two motions on the adjournment and Members opposite had to remain here although no vote had to be taken, that was their misfortune. But insofar as the question of Crown Lands is concerned (a) I never gave up the idea, I only gave it up temporarily then because I wanted to get the increase of rents because I thought it was fair and I thought that that did not require much consideration. I dealt at some length, for the benefit of the Hon Mr Loddo who had taken exception as a member of the Rent Select Committee, and I said that the Committee were

servants of the House rather than the House servants of the Committee but in any case this was something that had to happen whatever was the case because it was only fair and the last time it had been missed and there the matter remained and that was that we did not proceed not even with the part which I was prepared to compromise on to deal with on the basis of the rent increase. Two points were taken, the short notice and interference with the Select Committee.

HON P J ISOLA:

And the first point in there which the Chief Minister conveniently did not refer to.

HON CHIEF MINISTER:

What do you mean by in there?

HON P J ISOLA:

In there, in the Ante-Room.

HON CHIEF MINISTER:

I spoke to the Hon Member and I said that I entirely agreed with his objections and I said: "If you let it go, we will carry on, if not, we will leave it until the recess". Anyway, one thing is certain and that is that since that meeting the decision of the Court has been taken which, as I understand today, it is even more necessary, if it was necessary to have those provisions of the law then, having regard to the decision of the Supreme Court, it is more necessary than ever to give protection to tenants of leases which are leases given to the Crown otherwise a considerable number of the people who think they are living in protected tenancies might find themselves completely unprotected. Because of the doubt that was what the Attorney-General intended to do and that is what we propose to do. Insofar as the Select Committee is concerned we do not think that it impinges in any way on the question of the increase of rents. On the question of the Crown Lands I think it is one of basic importance and we see no reason why, having had the whole summer, the Opposition should not be in a position to deal with this matter.

HON P J ISOLA:

Mr Speaker, we are dealing with Clause 2 of the Bill and I must refer you, Mr Speaker, to page 198 where the Hon Attorney-General moved the Second Reading of the Bill. He said: "I have the honour to move that the Bill be read a second time. Sir, the Bill in draft contains two proposals. As the Hon and Learned the Chief Minister has mentioned, the Government does not intend to proceed on the first proposal and I will accordingly be moving in Committee that that clause be deleted".

Because of that, I did not address the House on the Second Reading of the Bill on the events that had occurred and because of that I did not deal with that particular principle of the Bill and therefore, Mr Speaker, I will ask for your indulgence in dealing with that as a matter of principle because it was not discussed by me because I was misled by the Hon and Learned the Attorney-General, although possibly inadvertently, into believing that the Government would not proceed with that clause and he would move himself to have it deleted. Hence, Mr Speaker, my very great surprise when I found him moving Clause 2 of the Bill. Brazil and Italy, Mr Speaker, I think we want to put the record right.

HON A J CANEPA:

It was not Brazil and Italy.

HON P J ISOLA:

Ah, you saw it, it was Brazil and Argentina. I don't know who it was but it was a very good match which the Opposition were deprived of seeing by the pettiness of the Chief Minister. We carried on with our public duty of sitting in this House.....

MR SPEAKER:

I have been very indulgent but you must proceed with the question before the House.

HON P J ISOLA:

Mr Speaker, the Chief Minister has given an explanation and I hope you will allow me to answer, if you do not, I bow to your ruling.

MR SPEAKER:

I would ask you to refrain from further comment on the football match because it is not relevant.

HON P J ISOLA:

Well, the Chief Minister has made a statement on it, Mr Speaker, he has introduced the semi-finals of the World Cup.

MR SPEAKER:

Fair enough.

HON P J ISOLA:

He is the one who has introduced it and I am just trying to put the record straight because this goes down in Hansard and I think it is important that the record should be put straight. The Chief Minister asked that we go on with the Committee Stage of the Bill and we agreed to waive Standing Orders in order that the Committee Stage of the Landlord and Tenant Bill should be proceeded with. We then realised, it is true, that if we agreed to that the House would be sitting till rather later than we hoped it would and, therefore, we decided that we would not agree and I suggested to the Chief Minister that we come back the next morning and deal with the Landlord and Tenant Ordinance so that he could give the landlords their increase of rent about which he expressed much anxiety, come back the next morning, deal with the Landlord and Tenant Ordinance and then have the motions on the adjournment and we would be away from the House by midday. This was not agreed. And then I said: "If you don't agree then we don't agree to suspend Standing Orders as is our right". The Chief Minister then said: "I leave the landlords without their rent increases and I leave you without seeing Brazil or whatever it was". Those are the facts of the matter. The landlords were deprived of their increases because of what I regard as sheer pettiness on the part of the Hon and Learned the Chief Minister.

HON CHIEF MINISTER:

The other way about.

HON P J ISOLA:

We came back to the House and we moved the adjournment of the House on two motions that we had which were of great public importance but not considered so by a number of Government Ministers who disappeared to see the football match whereas the whole of the Opposition, Mr Speaker, stayed and performed their public duty because the House was sitting. The whole of the Opposition stayed and there was only need for my Hon and Gallant Friend and myself to stay because we were the only two raising points on the adjournment. And, of course, the Chief Minister had to stay because he had to reply and so did the Acting Minister for Tourism, he had to reply but all the other Government Ministers went off to see the football and I don't blame them, except the Hon Mr Featherstone, but all the others went, Mr Speaker. The result of the position was that we were deprived of seeing the semi-final of the World Cup and the landlords were deprived of their rent increases. That is what happened. That is one part of the story. Now we go to the second part of the story which is more serious, Mr Speaker. I objected to that section coming in and I objected in the Anteroom to the Chief Minister and to the Hon Mr Perez on the grounds that there was a case pending and that it was very strange that this particular amendment should be brought to the House with such haste when the Hon Mr Perez and myself

were engaged in a lawsuit precisely on this issue and it seemed to me that this was a case of a Minister using his influence among the Ministers to push through a piece of legislation that might suit him.

HON CHIEF MINISTER:

Will you please give way, it is very important.

HON P J ISOLA:

Yes.

HON CHIEF MINISTER:

I did not know at all until we came to this House that my colleague, Mr Perez, was concerned in any case connected with that Bill so it is very unfair to say that we were taking advantage of anything like that and in fact it is very unfair because that was the first point on which I gave way immediately and I said I was only interested at that time in the increase of rent. That is a very unfair aspersion on the Hon Member and he has no right to make such aspersions against the Minister, he ought to know better.

HON P J ISOLA:

I would withdraw it instantly if it wasn't for the fact that my understanding of the way Government works is that Bills that are brought to the House are approved by Council of Ministers first and if the Chief Minister didn't know then, then it is worse still, the Hon Member should have informed him that he was involved in the case. I want to state the facts, I just want to state the facts as I understand them.

HON A J CANEPA:

Mr Speaker, if the Hon Member will give way. As I recall it, and I have a fairly good memory on these matters, the question dealt with in Clause 2 was one that came to Council of Ministers in principle well before the Bill was put into a draft, well before the Bill was drafted.

HON P J ISOLA:

Yes, between the date of judgement of the Court of First Instance and the hearing of the appeal.

HON A J CANEPA:

No. We can look at the minutes of Council of Ministers to check.

HON P J ISOLA:

The judgement of the Court of First Instance was in March, 1982, it may be of interest to the Minister but what I am getting at, Mr Speaker, is that Clause 2 as drafted, if the Hon Member will look at it, subclause (2) of the Bill as drafted, this was the only case before the Court, Clause 2 would enable the Court once the Bill had been passed whatever the result of the appeal, to upset the verdict. If the Hon and Learned Attorney-General did not know what was going on, anyway, he sent someone to the appeal to try and intervene. Anyway, I accept what the Chief Minister says, I accept that Council of Ministers were not told that there was a case pending. I accept it, if he says it I accept it, but it is a very odd way of proceeding. Mr Speaker, when I explained to the Minister for Medical Services, then, my view on the matter and how strong I felt in principle that this should be brought at that stage, and I agree that objection is not so strong today but at that stage, and I explained to him that there were big problems in relation to this which should be dealt with by the Select Committee and I will tell the House in a minute why, and I will tell the House if you pass this Bill in its present form the effect it is going to have on development in Gibraltar. When I told him that I said: "This is a matter that should be looked at in the whole ambit of the Select Committee's report on the Landlord and Tenant". You have to consider when you start touching Crown properties in whatever form, especially in Gibraltar where the Crown has such a large interest in land, you have to consider whether you ought not, for example, in respect of Government Housing Estates, to protect the tenants against the Crown from eviction and not just rely on what is said in the House. You have to consider the whole ambit of the Crown in Gibraltar. I know why this was introduced, this was to stop the Catalan Bay villagers landlords there, throwing out their tenants. That was the intention of this Bill. Yes, that is what happened. And I will tell the Hon and Learned the Attorney-General something. In this section, if the Government has given a lease, let me give you an example, an obvious one, Mediterranean Developments Limited, a 99-year lease, Mediterranean Developments Limited is sub-lessee. At one stroke of the pen all those houses could be rent restricted. And if the Government has given a lease somewhere else for a premium the same thing can happen. I will be told they are new developments. That may be the case. I am not going to go into the details of it because the Select Committee is dealing with it, but one thing I would like to ask the Hon and Learned Attorney-General, has he got evidence of any other case than the case in which the Hon Mr Perez and myself were involved in Court? Is there any other case before the Court? If that is the case what is the urgency for this Bill? What is the urgency for Clause 2? The person concerned is now out of the house, he is gone, he was hoping to get a new house and he has created, as I understand, pandemonium in the Housing Department because he was led to believe that he was going to get a new house. I do not know who led him to believe that, Mr Speaker. He rejected Government houses, old

houses, and he wanted a new house and I understand he has created pandemonium in the Housing Department because he was led to believe that he was going to get a new house and he did not. But I am not concerned with that, Mr Speaker, what I am concerned with is that this piece of legislation, as I see it today, this particular Clause is unnecessary. I am not saying that it will be necessary shortly but what I am saying is that the Select Committee which is meant to be looking at the whole context of landlord and tenant, is looking at how it should be restricted, it is looking at whether it should be restricted, should consider this not in the way that I understand it is being considered, they have just been told: "Look, this has happened, we are sorry we did not consult you, what about it?" but in the whole context of their recommendation. I would hope the Landlord and Tenant Select Committee would be looking at the question as to whether the Crown should not itself be bound as the Landlord and Tenant Ordinance having regard to the fact that they are the biggest single landlord in Gibraltar, and then come with this legislation. When the Attorney-General said he did not intend to proceed on the first proposal of the Bill, I took that bona fides to me that the Government would be leaving this until the Select Committee considered the whole question for the Landlord and Tenant legislation. Mr Speaker, as far as I am concerned, if the Government wants to pass this piece of legislation they are welcome to it, they have got the majority. I have not considered it at all since July, at all, because I believed what I was told in this House by the Chief Minister and the Hon and Learned the Attorney-General that they would not proceed at the Committee Stage and that is what Hansard says that is what I was told outside. And I will not go on with other things that I was told outside because I would not like to say a lot of other things that I was told outside because I do not think they are relevant. I thought that it would not be proceeded with and I think, and I utter a word of warning, that this is a matter that should be considered very carefully by the Select Committee and subsequently by this House when the whole legislation is looked at again. And at least, Mr Speaker, take away subclause (2) because if that was not intended to interfere with the course of justice I do not know what is. At least take it away in view of the fact that there are no orders, there are no judgements or anything so let us not blot our legislation or our statute book with this sort of clause that allows parties to go to the expense of an action in Court, allows them to rely on the judgement of the Court, allows them to go to the expense of an appeal in the Court, and goodness knows it is expensive, and then the legislature comes in and says: "You are alright, old boy, although you have lost you have really won". I would urge the Government to reconsider their attitude to Clause 2 at this stage without having before them the benefit of the report on the Select Committee and I think the Select Committee if they have not come so already are failing in their duty if they do not consider the issue of protecting tenants in housing against the Crown itself and the biggest single landlord in Gibraltar. I am not saying that they

should or they should not but it should be considered by the Select Committee when they are considering this particular clause and this particular clause should be considered very carefully because the Bill that came to the House, Mr Speaker, in July, 1981, which made it illegal for landlords to take premiums, which was obviously intended to stop premiums in unfurnished accommodation or pre-war accommodation, the effect of that section was in fact to disallow sales of flats of brand new development, that was the effect of the Bill as drafted. The effect was to prohibit the sale of new development, of new flats, because they paid a premium for a tenancy. And it did not come through, it has gone to a Select Committee. I do not know what the effect of this section is going to have. I know it is going to stop. Catalan Bay villagers chucking people out from their dwellings in Catalan Bay. That may be a good thing and I do not think they are going to do it. I think normally nobody is worried. When people go to Court it is very often out of sheer desperation and I am not concerned with that, I am concerned with the result of this thing that having been thought over, Mr Speaker, on people, and there is no need to pass this particular clause now because the reason for it, and I will not believe that the reason for it was not the case before the Court at that time because it fits in so beautifully, the reason for it, Mr Speaker, no longer exists. If the Attorney-General, that is why I asked, I do not know of any case of anybody trying to throw out people on the basis here and if it happened and proceedings are issued anywhere I do not mind having it then, but I do not think it is going to happen but I do mind we have to see through the results of this particular section and I think it is totally wrong unless there is an emergency which I do not believe there is, it is totally wrong to amend the Landlord and Tenant Ordinance in any substantial way until the House has before it a comprehensive Bill on Landlord and Tenant legislation and can take everything into account. Mr Speaker, I was forced to say what I said at the beginning because I do believe that the record should be straight on the events that have occurred and I want to state quite clearly that I was led to believe very, very clearly and without any doubt at all, both by the Chief Minister and by the Hon and Learned Attorney-General, that the Government would not proceed with this part of the Bill. So I had, Mr Speaker, as little notice of this section now as I had then because I just said: "Right, that is out, that goes to the Select Committee". That is the truth and I hope Hon Members of the House will believe me when I say that and if they look at Hansard they will see that the Attorney-General said: "I propose that that clause be deleted". So I have not been able, Mr Speaker, to think out the consequences of this particular clause, the consequences for the Crown, for people who may own houses, for people who may fit in under this particular section and I think this particular section is very important to the deliberations of the Committee. I do not know whether they are going to control furnished accommodation or whether they are going to suggest this or that. Supposing they do control new dwellings as was

proposed in the Bill that came before the House in July which was sent to the Select Committee, then the people who have committed themselves to the multi-storey car park if they had any flats there would be caught by this section because it was the Crown who is leasing. All the Crown leases that are given by the Ministry of Defence in Gibraltar through the Governor would be caught if there are any around, yes. You have to look at the new legislation. That is why, Mr Speaker, I believe that it is wrong to deal with this particular clause now when you are shutting the stable after the horse has bolted, let us put it that way, and I think that I would certainly like more notice to think out the consequences of this piece of legislation with the existing legislation that we have now. They may not be so bad with the existing legislation but with the new legislation that the Select Committee may consider they may be bad. So, Mr Speaker, I would like to hear whether the Government having heard that, is going to proceed.

HON ATTORNEY-GENERAL:

Mr Speaker, before the Government speaks further on this I would like to speak myself and deal with the points raised by the Hon and Learned Leader of the Opposition and at the outset can I say that if he was misled because I undoubtedly did say at the Second Reading that in Committee that clause would be removed, if he was misled then I do apologise and I hope he will accept that it was inadvertent because I think I have become a little confused in my own mind. I myself was under the impression that as a result of it not going through Committee at all, the whole Bill not going through Committee at the last meeting, that we then proposed to, as it were, re-open it and bring the whole thing back this time. Having said that, I did not intend to mislead the Hon and Learned Leader of the Opposition. Equally, however, I hope that he will be able, perhaps, to indicate on his part that he is not suggesting that this was contrived because of the personal aspect of a particular case which was being dealt with at the time. I am not asking him to give an indication now but I would like to explain to him my whole reasoning in relation to this amendment. I think everybody in the House would be surprised if anybody in the House prior to the raising of this point had not been under the impression that the purpose of the Landlord and Tenant (Miscellaneous Provisions) Ordinance is to grant protection to the private tenant and I would also be surprised if anybody was under the impression that there had always been intended to be a technical exception simply because a tenancy is derived ultimately from the Crown. In other words, the Crown grants a lease to a person who is popularly known as the landlord, he grants a sub-tenancy to one who would popularly be known as his tenant and I am sure that most people would have thought as of course that that second tenant, the sub-tenant, was protected and indeed I think they thought the same thing in England because in England they had to pass in the early

1950's an amendment to overcome this and that is precisely what we are doing here, not in any sense in a personal sense but certainly in a specific sense the case in question gave rise to this because that is how these points came to light. The case came up, we were made aware of it, we considered and we thought that there is a question of public interest here, we do not believe that this is the real intention of the Ordinance and that is why my Chambers did indeed seek to intervene unsuccessfully in the proceedings and that is why we sat down and drafted an amendment. Equally, at that time the Hon Leader of the Opposition is quite correct in supposing that had we been able to pass the legislation it would have been open to a party who felt that he needed to make further application to the Court to go back to the Court and say: "In the light of this, will you review your decision?" That was deliberate. It has also got a respectable pedigree because it is taken from the United Kingdom Act on which we based our amendment. If I can just make a point on it, it is not a mandatory direction from the Court to set aside one of its decisions, it is a discretion on the part of the Court to re-open the matter in view of the legislative intention expressed in a provision of this nature, that is as far as we went. But as I say we went there because there was a good pedigree for it. It is a difficult matter, I agree, and I think the question whether or not the true scope of the principal Ordinance was ever to exclude a sub-tenancy for those technical reasons is perhaps one which Members would like to deliberate but I would like to stress first that I think at the moment there is a major technical defect in the law. It may keep until March, it may not keep until March. If I was asked as Government lawyer to advise I would say it is an amendment which needs to be covered. Whether the House accepts that is of course up to the House but it is an important point. Can I clarify one other point? There is nothing, as I see it, in the amendment which extends the principle of rent control so far as the age of the dwelling house is concerned. It is not intended to say and I do not believe it does say that dwelling houses which are post-war may now be caught whereas of course under the main Ordinance they are not caught in the general principle but this does not touch that passage in rent control, all it is saying and all it is intended to say is that the mere fact that you happen to hold your sub-tenancy indirectly from the Crown will not operate as a technical bar to your right to rent protection and to security of tenure. That is the object of the exercise. As I say, Mr Speaker, if I can conclude by repeating myself slightly. I realise that Members may see this point as one which requires to be weighed carefully but it is my advice that there is a gap in the law and that that gap, as I say I am speaking from a technical point of view, that gap needs to be covered by the law.

HON J BOSSANO:

Mr Speaker, I was not aware that the World Cup was going on at the last meeting of the House so that was not a major consideration in my mind. Nor do I have a direct interest in either defending the landlord or the tenant in this case and I looked at the provisions as I said the last time not as a lawyer but as a layman and it seemed to me that the argument that had been put for suspending Standing Orders was valid, more so in the case of this clause than in the case of increasing the rents. I said at the time that it seemed to me that the understanding of any person of the protection under the law is that that protection cannot be eliminated because of subsidiary interest of the Crown in that property. For any normal person the landlord is the person that rents the property to him and the fact that the property initially might have been obtained on a long lease from the Government, if that is going to take people out of the Landlord and Tenant Ordinance then it makes a nonsense of the law. If this is a technical loophole it is a technical loophole that effectively counteracts the whole spirit of the original intention of giving protection to tenants, and if a technical loophole has come to light because of the interpretation of the Court in a recent case it is not a question of trying to hammer the people involved in the recent case, the fact that it is apparently the first time that somebody has tested the law and the law has been found to be unclear, I think the Government has got an obligation to make sure that they re-draft the law so that the original intention is explicit and it is not possible for somebody else to make use of this loophole and carry on doing the same thing. If as the Leader of the Opposition says, in the context of whatever the Select Committee eventually recommends, this has other implications, then presumably whatever the Select Committee recommends will mean a new Landlord and Tenant Ordinance when the whole thing would be looked at. I accept that it may be very necessary to provide protection for tenants against the Government as landlord. I do not know whether it is constitutional or not, I have always been led to believe that there was a constitutional impediment in prosecuting the Crown, the technical side of it I do not understand. But I understand one thing and that is that I supported the suspension of Standing Orders because I accepted that if it was a loophole it was a loophole that was never intended to be there and the sooner it was closed the better, that I objected very strongly to the thing being amended at the time and as I understood it, in fact, what the Chief Minister said at the time was that their urgency was in getting the 20% increase through at that House otherwise we would have had to wait until this House, and that in order to get the Opposition's support for that they were prepared to sacrifice this clause. As I was not prepared to do that I said that if they moved the amendment I would be opposing that amendment on the Government's part but I understood it that that was at the time something the Government was prepared to do in order to

get support for the second part. But, in fact, at the time there was no point in doing that because Mr Loddó said they would not be supporting the rent increases. It is not true to say that the landlords have been deprived of those rent increases for the last three months because of the pettiness of the Government.

HON A T LODDO:

If the Hon Member will give way. I did not say that I would not be supporting, what I did say was that if the Government was worried about the effect of not allowing the landlords to increase their rent because they already had increased Government rents, then perhaps it would be better if they did not increase Government rents. That is what I said, not that I would not be supporting the increase in rents.

HON J BOSSANO:

I will read very carefully what he had to say. Certainly, he gave me the impression that it was wrong to increase the private sector rents while the Landlord and Tenant Select Committee was looking at the whole question and that to use as justification the fact that the Government had done it, was not good enough. That in fact, perhaps, the right thing to do would be not to increase the Government one rather than increase the Government one and use that as the argument for the private. I certainly got the impression that the Hon Member would not be supporting the rent increases for the private sector. I am not sure whether they are this time or not but certainly when it was last discussed I think he said that it made a nonsense of the whole question of the Select Committee if in fact the Government was going to come along and increase rents. And to use as argument that they had done it for their own tenants did not hold water. Nobody wanted them to do it for their own tenants, in fact, as I recall at the Budget, Members did not support, surely, the Government rent increases so therefore if they did not support it for the Government tenants I do not see how they can support it for the private sector either. I voted in favour of the suspension of Standing Orders.

HON P J ISOLA:

On the Second Reading you voted in favour, according to the record.

HON J BOSSANO:

Yes, I said, Mr Speaker, that I was opposing, and I will quote what I said for the benefit of the Hon Member. I said: "I am opposing the rent increases and supporting the part that the Government doesn't want to proceed with". And since

I supported the suspension of Standing Orders for that part to be passed, I now find myself that the part that I want passed is the part that is not going to be passed and the part that I don't want is the one that is going to go ahead. That is what I said the last time.

HON P J ISOLA:

You voted with the Government at the Second Reading.

HON J BOSSANO:

Yes, and then I said that I would oppose the elimination of this clause in the Committee Stage.

MR SPEAKER:

I am beginning to regret the efficiency of producing Hansard so quickly because if we had not produced Hansard so quickly we would not be having this argument now.

HON J BOSSANO:

Anyway, Mr Speaker, I think that the fact that there had been no other cases since that last one is a good thing because I think that the law has always intended to give protection to tenants irrespective of whether there was a reciprocal interest or not. I certainly feel that the Government should close that loophole and let the Select Committee look at the whole thing in the fullness of time but I would certainly be opposed to their not proceeding with this now.

HON CHIEF MINISTER:

Mr Speaker, I am very sorry that there have been misunderstanding, it is quite clear in my mind and it is quite clear from what the Attorney-General said that he understood, he took the lead from me that we would not be proceeding with that because of what I had said before and because I wanted to make it as uncontroversial as possible in a matter on which there was a case pending. That has happened and so be it and I think in that case, subject to what the Attorney-General said, as there are no other pending matters I don't think there is any need to have the second clause. But now that the Attorney-General has spoken it has reminded me of the fact that this matter was initiated not as a matter of policy by the Government but by the Attorney-General's Chambers because when they were ordered, as I remember now, to increase the rents, they added this because they had themselves attempted to intervene and Hon Members opposite well know that in this matter the Attorney-General has got the full constitutional right to deal with any matter that

he considered proper in the Courts without reference to the Government so I am more convinced than ever that we have acted perfectly rightly and that any suggestion that we were trying to help anybody because he happened to be leading a case is completely repugnant and really should not have been mentioned but I am glad that it has been accepted that certainly it was not in my mind that we were doing anything for anybody in this respect and that is certainly not the way my Government acts nor the way my Government has acted in the last 20 or 30 years, I cannot say about others.

HON MAJOR R J PELIZA:

I wonder if the Chief Minister can explain what he means by that last remark since there has only been one other Government.

HON CHIEF MINISTER:

I can only say how I run the Government. If there are suggestions that I have done certain things I can say, no, these things do not happen. I don't know what other Governments have done. I am not making any aspersions whatsoever, I am stating a pure fact. I am not impressed by the attempt to dramatise the matter that the Leader of the Opposition has given to the dangers of the multi-storey car park. I hope, at least, the rent Select Committee will report before that is done however long that takes. Really, I am not impressed by this question of how many people now are going to be found at the mercy of the Government or the Crown by this but it is true that the case obviously has revealed the loophole and the Government have got a duty to cover that loophole whilst it is open in order to protect people who think today that they are protected and might find themselves in the same position as the person, whoever he was, who was concerned in those proceedings and therefore the Government propose to proceed with the Bill but in any case it has in no way interfered or prejudged or limit the recommendations that the Select Committee may want to make in this or in any other matter, and that I said at the time and because there is a Select Committee sitting on any particular matter there is no reason or constitutional impediment to provide legislation particularly of a nature such as this which requires urgent dealing with. It would be monstrous if the Government was restrained from correcting any injustice that became apparent, be it the Rent Committee, be it the Divorce Committee, whatever it was, if there was something blatant that came up and had to be dealt with ad hoc. That in no way reflects on the members of the Select Committee or the good work that they are no doubt doing, it is just a matter of doing precisely what is considered to be the best. Therefore, Mr Speaker, I regret that what happened then was misunderstood but I am quite clear, as I said in my remarks, that the only positive interest that the Government has at this stage in this Bill

is to give an opportunity to private landlords to have an equal amount of increase, at this time and at this stage. That means then and, as the Hon Mr Bossano has said, I was trying to get consensus on the increase of rent and that is why I gave up the other one particularly because there was a case pending and there was no other reason at all whatsoever.

HON MAJOR R J FELIZA:

It is very sad, Mr Speaker, that the Chief Minister who has been here now for quite a number of years and who should in my view act in a responsible manner, that he should make such a statement about another administration which no doubt whatsoever is an aspersion. I hope it is not the way he meant it but that is what it sounded like and that having drawn his attention to this it is not withdrawn.

HON CHIEF MINISTER:

I have said that

HON MAJOR R J FELIZA:

Mr Speaker, I am not going to give way, I am sorry. I am going to have my say.

MR SPEAKER:

Order.

HON MAJOR R J FELIZA:

It is shameful, Mr Speaker, that that is the way the Chief Minister behaves in this House the moment that the Opposition, very justifiably, brings to the notice of the House a situation which in fact the public might think is being carried out because it so happens that it affects a Minister of the Government. It is absolutely justified, Mr Speaker, that the Leader of the Opposition under those circumstances should bring the matter to the notice of the House. In that case, Mr Speaker, there was every reason to bring this matter to the House. Perhaps it has been cleared and that I am sure is for the benefit of all concerned but the matter I want to speak of is the principle because the principle is a very important principle which affects the very roots of democracy and the rights of the individual and that is the separation of power, the Executive, the Legislature and the Courts which should all have their kind of independence so that democracy does not corrupt. This is the serious danger here where in a particular case in which two Members of the House are involved in which judgement is pending, our legislation is going to be changed retrospectively which means that in a way the Government is acting as the executive, as the legislature and

sitting in judgement. Those are the facts whether we like it or not. If we change the law it is obvious, Mr Speaker, that the Court will have to act accordingly otherwise there is no point at all in changing the legislation and then we are wasting our time and all my Hon Friend Mr Bossano said before is worthless. I can see the point of my Friend Mr Bossano, on a case where the matter is serious, where the House is unanimous on it, I think that is justified. But in a situation where there is absolutely no urgency, when there are no other cases which could be affected immediately and when, in fact, the whole question of the Landlord and Tenant Ordinance is being very thoroughly looked into by a Select Committee as I think perhaps has never been done before for many years, I think it is rushing matters rather unnecessarily and particularly when two Members of this House are involved in a case. Because of that, because not only has one got to be fair and show to the people the complete integrity of the Government, of the Opposition and of all the institutions of Government in Gibraltar, not just have we got to say that there is integrity in the way that we act but that we also appear to do so. I am afraid that in this instance it is difficult to say that we are appearing to be acting in the manner that this House should do. My Hon Friend has put all the arguments sufficiently clearly and I will not repeat them but I certainly cannot vote in favour and I think my Hon Friends will act the same way.

HON J B PEREZ:

Mr Chairman, I would like to say a few words for the record since it is quite clear that the Hon the Leader of the Opposition has thought fit to involve me in this particular issue and perhaps I should explain precisely what, in fact, occurred. I was involved in a particular case in which I was acting for a tenant and Mr Isola was acting for the landlord. During the case a very important matter of a point of law arose which in fact was brought to the attention of Her Majesty's Attorney-General. The Attorney-General thought fit that it was a matter of such fundamental importance and a matter which could have very serious repercussions on tenants, on people in Gibraltar, on the community as a whole, that he himself brought the matter before the House. At the time, the Hon Member will recall, that since the case was pending one of the reasons it was agreed to leave the matter pending until the next meeting of the House was precisely because there was this case pending. I feel very annoyed that the Leader of the Opposition should have made personal remarks against me. I take it that these have been withdrawn but let me remind Mr Isola that in the same way as he is making remarks about me I can similarly make remarks about him because if I was acting for the tenant, let me tell Mr Isola that he was acting for the landlord and therefore I could say, but I won't, that the reason that he was objecting to this particular clause and the reason he is objecting today is

precisely because he did not want to lose. But let me say that I do not mean that that is what he is doing but at least I have the courtesy of telling him - I will not give way - that in the same way as he makes remarks against Members let him know that Members can make remarks against him. That is all, Sir.

HON MAJOR R J PELIZA:

The argument that the Minister has used is precisely the reason why the clause should not have been introduced then and certainly not now.

HON P J ISOLA:

Mr Speaker, I am very surprised by the Hon Member opposite in what he says. I have not said a thing about this nor would I have said anything if it was not for the arguments that have led to it or the fact that the Government has breached its agreement to discontinue with this particular clause. It is not, as he says, that is why it was agreed to leave it to the next meeting of the House. It was going to be taken at that same meeting of the House and the Attorney-General gave notice to the House that it was going to be withdrawn at the Committee Stage. It says in Hansard quite clearly, and I quote: "As the Chief Minister has mentioned, the Government does not intend to proceed on the first proposal and I will accordingly be moving in Committee that that clause be deleted".

HON A J CANEPA:

The Hon Attorney-General said that at the meeting of 6th July.

HON P J ISOLA:

He said: "I will be moving in Committee". He does not say at this meeting or later on today but in Committee. I accept what the Hon and Learned the Attorney-General has said and I accept it fully, that it was done in good faith. I have been inadvertently misled as far as he is concerned. But as far as the remarks of the Hon Mr Perez are concerned, I said quite clearly I was acting in the other case and I would have made a full explanation at rather greater length than I have done now. But I do not like the counter-attack, Mr Speaker, I do not like the counter-attack because he is a Minister and this Bill must have come to Council of Ministers and he has not told us that. I ask him to say in this House whether it went to Council of Ministers and when it went there did he say that he was involved in the case because the Hon and Learned the Chief Minister apparently knew nothing about it and I accept what he says. I know, Mr Speaker, it is all water under the bridge but let not the Hon Mr Perez try and put me on the same level as himself in this particular

situation because I am not a Minister, he is. He has been connected with the process of bringing the Bill to the House. As I said, that is not what I am concerned about, I would have gone much more fully. It has been necessary for me to say so in these proceedings, it has been necessary for me to say so because the clause is here before us and I have had to explain why it was that I objected to it at that particular time because there were pending proceedings at that time and I even told the Hon the Chief Minister and the Hon Attorney-General and the Hon Mr Perez, for all we know the Supreme Court will uphold you so there would be no need for the legislation but it looks bad if it is brought in the middle of Court proceedings when there are no other cases. Mr Speaker, I recognise the force of the arguments of the Hon Mr Bossano, I do. What I am complaining about and what I agree with my Hon and Gallant Friend, Major Peliza, that we have to vote against this particular clause because we have not been able to consider it because as a result of what the Hon and Learned the Attorney-General said in the House, and the Hon and Learned the Chief Minister, this particular clause has gone out of minds. I see force in the argument of the Hon Mr Bossano that if there is a loophole through which people are driving it should be blocked up. But I am not so sure that people are driving through it and I am not so sure that many people can drive through it and as we have been promised the Select Committee report in the course of the next three months, I would have thought that it would be better for the Select Committee to deal with it in that sphere. As far as clause 2(2) is concerned, I think it would be wiser to leave it out, Sir. We have to vote against the whole clause.

HON A T LODDO:

Mr Chairman, I will be very, very brief. Let me say that when this piece of legislation was sprung on me at the last meeting I was upset because having been a member of the Select Committee I had no prior warning. Today I am learning that all the finer points had started in March. Last week we had a meeting of the Select Committee and again I did not know that this matter was going to be brought up. I was under the impression, quite honestly, that the thing having blown up at the last meeting, that the Government had decided to forget about that clause and today I find myself almost back at square one where I was in July. I did not honestly expect this, I thought this had been done away with and I think that any reasonable man would have interpreted what the Attorney-General said at the last meeting of the House that he would be deleting this at Committee Stage to mean precisely that, deleting it, not deleting it for that Committee but deleting it completely, altogether. Again I am surprised that it has come up and last week I still did not know it was coming up.

HON W T SCOTT:

Mr Speaker, a very short intervention. I think a lot has been said now on the recollection of certain Hon Members at that particular meeting about what the Hon Attorney-General said and again I will repeat what the Attorney-General said: "I will accordingly be moving in Committee that that clause be deleted". Later on, when the Second Reading was completed and we recessed for tea, when we came back after the recess the Hon Attorney-General proposed that the Committee Stage and Third Reading of the Bill should be taken at a later stage in the meeting and if necessary, on that day. In other words, it was the intention of Government to proceed with the Committee Stage and Third Reading of that Bill on that day with the deletion. Let there be no misunderstanding as to how we interpreted it.

HON CHIEF MINISTER:

Yes, certainly.

HON W T SCOTT:

But, equally, the intention would then have been to bring a separate Bill which would have embodied Clause 2 and that they would have done for this meeting.

HON CHIEF MINISTER:

The Hon Mr Scott has made a good contribution to clearing up the matter. Mr Bossano wanted the clause we are discussing now and I wanted the increase in rent. But it was on the understanding to make up for the time that the Leader of the Opposition had complained he had not had, that I was not proceeding what I considered to be, in his view, the controversial part of the Bill in order to get his support, not whether he voted in favour of the increase in rent or not but to proceed with the business despite the fact that he was to some extent justified in saying that they had had short time to do it. The intention would have been had there not been this difficulty about all Members consenting to the Bill being taken at that time, would have been to withdraw that, as the Attorney-General has said, withdraw that, carry on with that and then come back to the other one. I never said that I would give that up forever. It was a negotiating attitude that I took that I wanted the other one but I was prepared to postpone this one. That is why I said: "The only positive interest that the Government has at this stage of the Bill". The positive interest at this stage in this Bill meant that it had a positive interest at another stage in the Bill. I cannot for one moment give any real credit to the Leader of the Opposition when he said that he had no time to look at this. It is two clauses of ten lines.

MR SPEAKER:

The Hon the Leader of the Opposition said that since he felt the Bill was not going to be proceeded with, he had no reason to give it any thought.

HON CHIEF MINISTER:

I accept that but if he had not given consideration to it how is it that it has been possible for him almost to frighten us into throwing the Bill away by telling us of all the difficult repercussions that it is going to have even in the car park at Casemates? How if he did not know that, is he going to frighten us with that? Then he should have refrained from making any remarks about it because he was not prepared. But, no, he has done his homework, cleverly and very properly, but that does not go with the fact that he has not had time to look at it because he has had time to look at many repercussions that none of us had thought about.

HON P J ISOLA:

That is the trouble, I have had to think in minutes about it and you have not thought about it.

HON CHIEF MINISTER:

Yes, the great man who was not able to hold office during the Integration with Britain Party, he thinks he can think all these things in five minutes, all the things that other people cannot.

HON MAJOR R J PELIZA:

You are talking a lot of rubbish.

MR SPEAKER:

Order, order.

HON CHIEF MINISTER:

What I said I said in good faith, what he has said he has said in bad faith and I accuse him of that.

MR SPEAKER:

No, you must not do that.

HON CHIEF MINISTER:

Well, I say that he has been less than lacking in sincerity in saying the things that he has said. And there is one thing which he has said which is absolute nonsense as he is so used to saying in this House. Complete and utter nonsense. To talk about the division of powers about the thing because there are two people involved when the very first thing I did when the thing came in July was because there was a case I proposed to adjourn it. How can he reconcile one thing with the other? There was only one way of doing it and that is if all you talk is rubbish.

MR SPEAKER:

I will then put the clause to the vote.

HON P J ISOLA:

Could it be put in two sections, Mr Speaker?

MR SPEAKER:

In two sections, most certainly. We can take two votes, one on Clause 2(1) and another vote on 2(2).

HON CHIEF MINISTER:

Mr Speaker, we want to delete subclause 2(2) and I so move.

Mr Speaker put the question in the terms of the Hon the Chief Minister's amendment which was resolved in the affirmative and the amendment was accordingly passed.

MR SPEAKER:

We are now going to take a vote on Clause 2, as amended, which is what used to be subclause 1 before.

On a vote being taken on Clause 2, as amended, the following Hon Members voted in favour:

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

The following Hon Members voted against:

The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddio
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 Major F J Dellipiani

Clause 2, as amended, stood part of the Bill.

Clause 3

HON ATTORNEY-GENERAL:

Mr Chairman, I beg to move that Clause 3 be amended, first, by omitting the expression "September" from subclause (1), and substituting the expression "December". Secondly, by omitting the expression "September" from subclause (2) and substituting the expression "December", and, thirdly, by omitting the expression "September" in subclause (4) and substituting the expression "December". Sir, the reason for this proposed amendment is that in view of the time that has passed it would be appropriate to put back the date from which a rent increase can take effect and in proposing the new date of 1st of December, 1982, we are maintaining the same distance of time between the anticipated passage of the Bill and the date on which the new rent can be imposed as we had when the Bill originally came before the House in July and it was proposed that the rent increase should take effect from the 1st September. Sir, I move accordingly.

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

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

The following Hon Member voted against:

The Hon J Bossano

The following Hon Member was absent from the Chamber:

The Hon Major F J Dellipiani

The amendment was accordingly passed and Clause 3, as amended, stood part of the Bill.

Clause 4

HON ATTORNEY-GENERAL:

Sir, I beg to move that the word "that" in the second place where it appears be omitted and that the word "case" be substituted. This is a gremlin that seems to have crept up and it is purely a drafting matter.

Mr Speaker then put the question in the terms of the Hon the Attorney-General's amendment which was resolved in the affirmative and Clause 4, as amended, was agreed to and stood part of the Bill.

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

THE SUPPLEMENTARY APPROPRIATION (1982/83) (NO 2) BILL, 1982

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

Schedule

Schedule of Supplementary Estimates Consolidated Fund (No 2 of 1982/83)

Item 1, Head 3 - Education

HON A T LODDO:

Mr Chairman, I notice, under Books and Equipment, £6,300 to purchase 18 typewriters for the Commercial Business Studies at Westside. Why is this thing needed now?

HON M K FEATHERSTONE:

Sir, the majority of typewriters that were available were in rather poor condition and it was felt that since the Commercial and Business Studies was to get off on a good footing in its new place at John Mackintosh School, the typewriters should be provided as a new set. The others are also still being used at the Westside School.

HON A T LODDO:

But shouldn't these have been ordered, Mr Chairman, long ago so that they would be here now instead of having to order it now after the school has opened?

HON M K FEATHERSTONE:

I think these are being made through local purchase.

HON W T SCOTT:

I gather that in the new Westside Comprehensive, a substantial amount of the equipment for that school has, in fact, formed part of the ODA grant for the building of that school. If these 18 typewriters required replacing, why were they not included as part of the equipment supplied by the school through ODA grants?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

They would not have been supplied by ODA because we have overrun the cost of the project by over at least £½m so that we would have had to pay for them in any case. The ODA allocation to the school was about £4.5m and we had to meet 10% of the cost. Once we overran that £4.5m, as we did, the total balance of cost fell on us so they would not have paid for these.

Item 1, Head 3 - Education, was agreed to.

Item 2, Head 10 - Judicial, was agreed to.

Item 3, Head 13 - Law Office Officers

HON P J ISOLA:

Mr Speaker, I notice that the Hon Attorney-General is going to be involved in the forthcoming lengthy trial. What will happen to legislation, will he be able to do other matters?

HON ATTORNEY-GENERAL:

Naturally, Sir, I shall do both.

Item 3, Head 13 - Law Office Officers, was passed.

The Hon J Bossano voted against this item.

Item 4, Head 14 - Medical and Public Health, was agreed to.

Item 5, Head 21 - Recreation and Sport

HON A T LODDO:

Mr Chairman, Sir, could we have an explanation why the £5,200 in overtime. Overtime for what, just to maintain the present level of facilities?

HON H J ZAMMITT:

Mr Speaker, Sir, when the estimates were carried out, in an attempt to cut down running expenses, it was overlooked and in fact there are conditioned working hours at the Stadium, people working on shifts, and to maintain the same hours of work as they had in the past, we had to put that money back into the situation. But let me also say that it was envisaged at the time we carried out the estimates that there could well have been a reduction in overtime particularly at weekends, on sporting activities. That was the reason why we reduced the overtime factor but to maintain the level we discovered we could not do it if we wanted to offer the same facilities of up to 11 o'clock for the Hall and 10 o'clock for the outdoor facilities.

HON A T LODDO:

Mr Chairman, I would have thought the opposite would have held true as this year for the first time we had extra hours of sunlight. I would have thought more use would have been made rather than less.

HON H J ZAMMITT:

But football is not played in summer. The floodlights, which are the most expensive thing in the overtime factor is in the winter and sunlight has very little to do with it. The Hall carries on regardless and of course light comes on possibly in summer maybe half an hour later but it certainly requires lighting and overtime.

Item 5, Head 21 - Recreation and Sport, was agreed to.

Item 6, Head 22 - Secretariat

HON G T RESTANO:

Is the Chairman of the Steering Committee permanently in Gibraltar?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Sir, he visits periodically. On the breakdown of the projected costs he is in Gibraltar from 17th to 21st August, between 4th to 10th September, 12th and 15th September, 19th and 26th September and projected for about 5 days in October. He travels to and fro.

HON G T RESTANO:

Am I to take it that there has been at least one meeting of the Committee during each of his stays?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

More than one. My understanding from the brief I have got is that there were meetings on the 9th, 13th, 21st, 27th and 30th of September.

HON G T RESTANO:

Can I know who is the Chairman?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

His name is Mr Edwards.

HON G T RESTANO:

Does he have any particular qualifications?

HON CHIEF MINISTER:

Suggested and recommended - and I shall go into more detail in the motion - by the Industrial Society.

HON P J ISOLA:

This is an ongoing thing, I suppose? Until when is he going to be here? When you say £23,000 additional, presumably, that is in the foreseeable future, or is it thought that this should be sufficient to cover?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is possible that we may require a supplementary. This is why I sent for the papers when I saw this. The amount now asked for is to cover the projected meetings but quite how long it will take to set up one does not know.

HON J BOSSANO:

Mr Chairman, I propose to vote against the £23,000 in respect of Departmental Enquiries but in favour of the Freedom of the City to Dr Giraldi expenditure and the reimbursement of the Chamber of Commerce expenses.

HON P J ISOLA:

Mr Chairman, as usual with a no of this significance, if I may say so, one would have thought that the Hon Member would let us into his secret as to why he does not want Mr Edwards in the Steering Committee.

HON J BOSSANO:

This has nothing to do with Mr Edwards. I have the greatest admiration for Mr Edwards as an individual and for his qualifications. I am on the Steering Committee myself. It is just that I do not think we need to spend this sort of money on bringing somebody from UK to chair a meeting and, therefore, I am not prepared to vote in favour.

HON P J ISOLA:

It is not that the Hon Member is against the recommendation that there should be a Steering Committee?

HON J BOSSANO:

Well, I have my doubts about whether the whole machinery that is being carried out is necessary but, in fact, the Trade Union Movement agreed to cooperate with the enquiry. I co-operated with the enquiry which other Members did not do, in fact, and the Trade Union Movement is participating in the work of the Steering Committee. I am talking about voting public money and I would not have done it this way if I had been in Government so I am voting against it.

HON P J ISOLA:

Could I ask the Hon Financial and Development Secretary, in view of these remarks, does he not consider his estimates to be completely too conservative?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, it is not my estimate. It is an estimate that was prepared by the Establishment Division and when I saw it I queried it and I asked for details and the details I was given I have now given to the House. This is the best estimate at the moment but I think it is likely that we shall have to come back for a supplementary and I should warn the House.

HON CHIEF MINISTER:

Mr Chairman, I would just like to add that the terms of the consultancy has been agreed, that is to say, the rate per day and the expenses and so on, but the estimate of the work will very much depend on the extent to which progress is made and this is why it is very difficult to say for how long. At one stage the original Committee of Enquiry thought it would be 9 months or 9 weeks, I forget now, but this man of course is trying, with the cooperation of the Union, to bring the Steering Committee into the Consultative Committee as soon as circumstances will permit.

On a vote being taken on Item 6, Head 22 - Secretariat, Sub-head 81, Enquiries into Departmental Functions and Efficiency, the following Hon Members voted in favour:

The Hon I Abecasis
The Hon A J Ganepa
The Hon M R Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Lodo
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 Member was absent from the Chamber:

The Hon Major F J Dellipiani

Item 6, Head 22 - Secretariat was agreed to.

Item 7, Head 23 - Telephone Service

HON MAJOR R J PELIZA:

Mr Chairman, I see the increase is £6,425 which is quite substantial. Could an explanation be given as to why so much money is required and to what extent is the Telephone Directory self-supporting?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, perhaps the Chairman of the Treasury Tender Board might speak on this one as opposed to the Minister because what happened was that when the Treasury Tender Board looked at this we got the figures for the directory but then, subsequently, it was found that it would be convenient to include within the directory, and I hope that Members of the House will agree, the Direct Dialling instructions and the code numbers for the various places to have it into one book as opposed to having a separate book which I personally always lose when I am in the UK, I can never find it when I want to dial a number. So it was fitted in to the one directory and this pushed up the cost because it pushed up the number of pages by 80.

HON MAJOR R J PELIZA:

Sir, could the Financial Secretary say to what extent the Directory is self-financing as they advertise and all that sort of thing?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is expected, and I hope, that over a period of 3 years it will be self-financing, both from the advertisements and from sales.

Item 7, Head 23 - Telephone Service, was agreed to.

Item 8, Head 24 - Tourist Office. (1) Main Office

HON MAJOR R J PELIZA:

Mr Chairman, the £7,000 of additional printing of tourist information literature following the announcement earlier this year of the opening of the frontier. Are they going to be committed or can they be used if the frontier ever were to open?

HON H J ZAMMITT:

Yes, Mr Chairman, this is the result of printing various leaflets and information brochures in four different languages which of course are there, it is in stock, and if and when the frontier opens they will be useful

(2) London Office

HON MAJOR R J PELIZA:

Sir, the £31,500 required to provide for additional promotional activity in the UK and Morocco and visits by journalists to Gibraltar. Could the Minister enlarge on what extra promotion

we have done in Morocco and in UK? Not that I am against the expenditure but I would just like to know what goes on.

HON H J ZAMMITT:

Mr Chairman, as I said in answer to my question yesterday, this year we are carrying out 24 trade promotions in UK.

HON MAJOR R J PELIZA:

That comes out of this fund?

HON H J ZAMMITT:

Oh, yes, very much so. As I mentioned in answer to a question the Tourist Office will be going to South Morocco and are spending more on advertising in the Journal de Tangier and we are pepping up the whole spectrum of advertising in UK and Morocco.

HON MAJOR R J PELIZA:

Could the Minister say if in this sum is included the advertisement in the Victuallers Magazine?

HON H J ZAMMITT:

Yes, it would come under that and Public Relations, Mr Chairman, which are the £7,000 under London Office. We have virtually doubled our Public Relations expenditure in the London Office. We have now spent something like £16,000 on Public Relations as opposed to £11,000 the previous year.

HON MAJOR R J PELIZA:

To avoid having to ask you again on the other items under London Office. The advert that I have just mentioned is coming under the London Officer or under this particular subhead?

HON H J ZAMMITT:

Well, Mr Chairman, the money is controlled from Gibraltar, I must be very honest about that. It is just an expenditure that is related to the London Office in the estimates but the Controlling Officer is the Director of Tourism here in Gibraltar. The advert that comes out in the "Licensee" is subject to the advertising part and the public relations part from the public relations part of the £7,000.

HON G T RESTANO:

Visits by journalists to Gibraltar. What expenses are these?

HON H J ZAMMITT:

Mr Chairman, normally we are very fortunate in getting either the hotels to give us free accommodation for a journalist coming over, hopefully, for a good article, and I must say that so far we have never received an adverse article from journalists brought over by the public relations people and normally the airline very kindly give us the free air passage so the expense that the Gibraltar Tourist Office is faced with could well be food, dinner and lunch or something like that. Normally everything else is covered by the hotel and in fact they are taken around the various hotels and some hotels provide lunch for them some provide dinner and there may be a lunch with the Minister or the Director of Tourism may attend and give them a run down of the whole situation.

HON MAJOR R J PELIZA:

On subhead 18, Replacement of motor vehicle. I hope it is not a Japanese car. Can the Minister confirm that?

HON H J ZAMMITT:

Mr Chairman, quite the contrary, we have had to go for an English car hence the additional funds required.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The reason why we need a supplementary is because we went for an English car instead of a Japanese car.

Item 8, Head 24 - Tourist Office, was agreed to.

Item 9, Head 26 - Treasury

HON P J ISOLA:

I would like to ask about the £50,000 on Financial Institutions - Enquiries. How is that vote broken up?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is an estimate, Mr Chairman. First of all we will have to pay the fees of Spicer and Pegler who looked into the affairs of the Straits Building Society and we have not been able to get their figures yet and, secondly, due to the fact that the Signal Life have not answered the questions put to them in a directive by the Governor, we shall have to appoint either accountants or commissioners of enquiry, a lawyer and an accountant, to enquire into the affairs of the company and report and as Hon Members know, lawyers and accountants tend to come expensive.

Item 9, Head 26 - Treasury, was agreed to.

The Hon J Bossano voted against this Item.

Improvement and Development Fund - Schedule of Supplementary Estimates No 2 of 1982/83

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

Item 2, Head 103 - Tourist Development, was agreed to.

Item 3, Head 104 - Miscellaneous Projects

HON J BOSSANO:

It seems to me quite extraordinary that only a few months ago the estimate was filled and it has gone up by over 100%, and I am not prepared to support that.

HON P J ISOLA:

Mr Chairman, can we ask if there is any particular reason for this great difference in the estimates?

HON M K FEATHERSTONE:

The actual point there was that the original estimate was only made by an engineer, it was not done using quantity surveyors etc, and it was to some extent what you might call a guesstimate. The lowest tender actually came in at some £236,000 and then on top of that was all the extra items such as steelwork, construction, electrical installation, tar macadam and various other items that were required to make this a going concern. The situation was that at that time when the guesstimate was actually done, we were very jammed up with work without our QS's and since an estimate was needed on an urgent basis it was put in the hands of an engineer who I am afraid did not have very great knowledge of construction costs, etc. He allowed mainly for the steelwork and the electrical installations etc, and he erred on the rather low side. This is something that can happen occasionally, I have told my staff in future that if they are going to give guesstimates they had better go on the high side.

Item 3, Head 104 - Miscellaneous Projects was agreed to.

The Hon J Bossano voted against this Item.

Item 4, Head 108 - Telephone Service, was agreed to.

Schedule of Supplementary Estimates Improvement and Development Fund No 2 of 1982/83 was agreed to.

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

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

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

Clause 4 was agreed to and stood part of the Bill.

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

The House resumed.

HON ATTORNEY-GENERAL:

Sir, I have the honour to report that the Control of Employment (Amendment) Bill, 1982; the Specified Offices (Salaries and Allowances) (Amendment) Bill, 1982; the Landlord and Tenant (Temporary Requirements as to Notice) (Amendment) (No 2) Bill, 1982; the Elderly Persons (Non-Contributory) Pensions (Amendment) Bill, 1982; the Prison (Amendment) Bill, 1982; the Widows and Orphans Pensions (Amendment) Bill, 1982; the Stamp Duties (Amendment) Bill, 1982; the Loans Empowering (1981/1986) Bill, 1982; the Pensions (Amendment) Bill, 1982; the Landlord and Tenant (Miscellaneous Provisions) (Amendment) Bill, 1982; and the Supplementary Appropriation (1982/83) (No 2) Bill, 1982, have been considered in Committee and agreed to. In the case of the Specified Offices (Salaries and Allowances) (Amendment) Bill, 1982; the Widows and Orphans Pensions (Amendment) Bill, 1982; and the Landlord and Tenant (Miscellaneous Provisions) (Amendment) Bill, 1982, 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.

The House recessed at 7.35 pm.

THURSDAY THE 14TH OCTOBER, 1982

The House resumed at 10.35 am.

PRIVATE MEMBERS' MOTIONS

HON P J. ISOLA:

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

"This House censures the Government of Gibraltar for the manner in which it has handled the power situation in Gibraltar since 1976 and in particular censures the Government for:-

1. Lack of planning and foresight in providing for an adequate and continuous power supply to the community,
2. Lack of proper provision for staffing at Waterport Power Station and any formal negotiation with the Trade Unions regarding conditions of employment or working practices,
3. The manner in which it has in this House misled the Opposition and the public as to the true state of industrial relations in the generating station,
4. The lack, until a report of the committee of enquiry was submitted, of adequate consultative machinery,
5. Its failure to make public the Preece, Cardew and Rider Report and thus allow the public to appreciate more fully the power requirements for Gibraltar for the rest of this century,
6. The haphazard manner in which it has dealt with the serious power generation problems of Gibraltar for the last five years".

Mr Speaker, this is a motion of censure on the Government as a whole and, of course, on the Chief Minister as its head because it is our view, our strongly held view, that the whole Government has to take responsibility for the situation that has arisen in Gibraltar as a result of the power problems that we have had during the last decade. Technically speaking, I should really only be moving a motion censuring the Government since 1980, because that is when they were elected to power but in view of the fact that the colour and face has not changed previous to that, it is appropriate that we should go back to 1976 when the famous or infamous, we do not know which it is, Preece, Cardew and Rider Report, was published. I say famous or infamous, because we have not seen it. If we had seen it we would be able to say whether it was famous or infamous. Mr Speaker, I think it must have been obvious to the Government, following the report of the

Committee of Enquiry set up by the Government on the Electricity Department, that a motion of censure would follow. It is interesting to note that the position of the Opposition on power generation, the allegations that we have made over the years, have been fully justified by a report of a Committee of Enquiry in which we took no part. The Hon Mr Bossano yesterday made a reference to the fact that he had contributed to the proceedings of the Committee but that the DPEG Opposition had not. I made quite clear the reasons why we refused to participate, there were two really, one was that the terms of reference looked to the future and not to the past which we thought was a mistake, and this again has been justified by the recommendations and findings of the Committee of Enquiry, but more importantly because we were not allowed to have a look at the Preece, Cardew and Rider Report which would have enabled us to make fuller representations to the Committee of Enquiry than we obviously could, not having access to the Preece, Cardew and Rider Report. The Committee of Enquiry, however, they were allowed to see it, they had it before them but we were deprived of it and we wish to register our protest and our continuing public protest at the fact that a Report that is so fundamental to the power planning for Gibraltar until the end of the century is still deliberately kept away from the Opposition. In 1979, I suppose the Government had good grounds for doing that because there was an election to be held shortly but there has been no excuse since 1980 for not letting us have it. Now, I suppose, with a general election in a year's time, it becomes again politically necessary not to let us have a look at the Report. That was fundamentally why we refused to take part in the proceedings of the Committee of Enquiry. We were not able to enlarge on it because we did not have access to the Preece, Cardew and Rider Report. But, Mr Speaker, what I think is interesting to note is that the Report had been pretty damning to the Government, very damning, indeed. Even without the Opposition saying a word to the Committee it is interesting to see the number of distinguished pro-Government persons who gave evidence to the Report, at the head of which was His Excellency the Governor. I don't suppose he can really be described a pro-Government since he was the Governor, but then after that we have the Chief Minister, the Deputy Governor, the Minister for Economic Development and Trade, the Minister for Public Works, the Minister for Municipal Services, the Attorney-General, the Financial and Development Secretary, the Administrative Secretary, the Hon Mr Bossano, who votes so frequently with the Government, I don't know what he said in the Committee.

HON J BOSSANO:

I think, Mr Speaker, the Hon Member exceeded me.

HON P J ISOLA:

I beg your pardon?

HON J BOSSANO:

I think yesterday the Hon Member exceeded me in voting pro-Government.

HON P J ISOLA:

I did not work out the number of times we voted yesterday but it was notable on our side, we rather felt that he had been true to form. I do not know what Mr Bossano said, obviously, and then after that, Mr Speaker, again a whole list of Government senior Civil Servants, again a whole lot of people in the employment of the Government. So with the exception of the Gibraltar Chamber of Commerce and Trade Union representatives, the people who made representations to the Committee of Enquiry were all pro-Government persons who have vested interests in the result of the enquiry. And I think it is significant that despite their efforts, whatever they may have been, the Committee of Enquiry has come out with a Report that is, in effect, a vote of censure on the way the power situation has been handled by the Government during the last six years. Because it is no use, and that is why we have not censured the Minister for Municipal Services in a specific motion, it is no use trying to put the blame on him, Mr Speaker. It is no use trying to put the blame on the Head of the Department. The blame has to be faced by those who took up the cudgels as far back as 1979. The Chief Minister himself who told us in the House how well everything was and that we would have a new 5mw generator in operation within 18 months of his statement and at the end of October it will be three years. From that moment it is quite clear, and I am sure the Chief Minister will accept this, that it is the Government that has taken hold of the matter. We have had a number of debates since then on the power situation and the Chief Minister has taken a leading role. Council of Ministers appears to have taken over from the Minister for Municipal Services in the problems of the generating capacity of Gibraltar. That is quite clear and I do not have to go through all the debates to show this, it is quite clear from the proceedings of this House. So that when the day of reckoning comes, Mr Speaker, it is no use trying to put the blame on the Minister for Municipal Services. He must share, of course, the blame because he is the Minister directly responsible, but it is the Government as a whole that has taken over the power situation, it is the Government in the Chief Minister's office which has been giving instructions to the Head of the Generating Station whenever problems have arisen and therefore, it is the Government as a whole that has to accept responsibility for the report. I think, Mr Speaker, it is self-evident that a Committee of Enquiry that is appointed, I think it was on 4th February, 1982, had two full sessions from the 15th to the 24th March and the 13th to the 17th April, 1982, and found it necessary to take what we think is an unprecedented step to put in an interim report on

the 16th April, 1982, is itself a serious reflection on the Government. 4th February, Mr Speaker, within two months of having their first meeting, not within 2 months, in fact, from the 16th March was their first meeting, within a month of their first meeting they put in an interim report. That is pretty good productivity, apart from anything else. But they put a report in, they found it a matter of urgent necessity to put in a report and tell the Government: "For God's sake set up something, do something about the new Waterport power station. Here you are investing £7m or whatever it is, and you don't even know how you are going to run it, and the power station is nearing completion". What an indictment, Mr Speaker, on the Government of Gibraltar. What an indictment. They cannot say they did not know about it, the power situation has been in this House almost at every meeting of the House since December, 1979, and the Government has kept quiet, has given us the impression that; "all is well, all is fine, industrial relations are good, the Hon Mr Bossano can perhaps confirm that this is now working quite well", and so on, and so on, and so on. They announce the construction of a new power station at Waterport as a wonderful achievement, they get the financial provision for it voted by the House, they give the tender, they put a £7m project into full steam ahead, and the Committee has to come and tell them: "How are you going to run this Waterport power station?" No one seems to know. Surely, Mr Speaker, the Government must concede or must have a very good explanation as to why this position arose. And they were the people who gave evidence to the Committee of Enquiry. Is it that they were incapable of setting up or deciding how it should be administered and, therefore, hoping that somebody else would tell them how it should be done, or was it, Mr Speaker, that they were so worried about keeping the lights on for the people of Gibraltar that nobody had time to think about how the new power station was going to be run? And that, Mr Speaker, of course is the biggest indictment against the Government that comes from this Report. That a Committee of Enquiry that took over a year to set up because the Chief Minister could not find a Chairman, as he told this House, when it was set up it only took this Committee of Enquiry two months or less, a month, to say: "My goodness, whatever may have happened, whatever may be the case, it is a scandalous state of affairs that the Gibraltar Government does not know how it is going to run its power station". Look at the recommendations of the Committee. The City Electrical Engineer, they said, let him forget the Department altogether. Put him in there, get him to set up Waterport power station. His time is going to be fully taken up when that power station is commissioned. You do not know how you are going to run it. Well, for goodness sake, put him there and let the Deputy City Electrical Engineer run the Department. That another Committee, an independent Committee, sitting only a month, should have to tell the Government how to run its own affairs, how to run their Department is surely an indictment of the Government and requires the strictest censure from this House.

And so, the Government, I understand, accepted that interim report, I think it was in September, the 9th of September, some six months later, they accepted it and although the matter was given great urgency by the Committee of Enquiry, it appears that the Government were not able to set up the Steering Committee until September because they said that they could not find a suitable Chairman for the Committee until then, and then they appointed Mr Ray Edwards as Chairman of the Steering Committee, six months later. We were back to lethargic work, the Committee put a sense of urgency into it, the Government put it in proper perspective as they like to say and they took six months to get the Chairman. But the extraordinary thing about it, Mr Speaker, the extraordinary thing about it is the vote yesterday by my Hon Friend Mr Bossano, when we were going to vote the cost of Mr Edwards, some £31,000 as supplementary estimates, and the Hon Mr Bossano voted against it. I am not going to censure him, I am hoping that he will tell us why. We were surprised because he voted without giving any reason so I ask the Hon Member if he could possibly give the House a reason because to us this was a stunning piece of news.

HON J BOSSANO:

If the Hon Member will give way. He did not give any reason for voting in favour, I would have thought that one has to give reasons for deciding to spend money and not for deciding not to spend it.

HON P J ISOLA:

It was a stunning piece of news. We did not give reasons for voting in favour, Mr Speaker, we voted in favour because it was a request by the Government to pay for a Steering Committee, or rather the Chairman of the Steering Committee. A Committee set up by the Government had reported and had asked the Government to set up a Steering Committee as a sort of desperate measure to put things right and we were not going to torpedo that, Mr Speaker, we support that, obviously, we support anything that is going to put this generating station at Waterport on a proper level so that the people of Gibraltar can enjoy a continuous supply of electricity at reasonable cost. That is why it was a stunning piece of news for us to hear the Hon Mr Bossano voting against Mr Edwards because that is what he was doing, of course, the obvious deduction we must make from that is that the Trade Union Movement is not happy with the appointment or they are not happy with the Steering Committee and that, indeed, is serious for Gibraltar. So the Government takes six months to set up a Steering Committee because they were anxious to find a Chairman, presumably, that would please the Trade Union Movement, and then we find the staunchest supporter of the Trade Union Movement in this House voting against paying the man. Perhaps he wanted him to do the job free, I do not know,

but no doubt he will explain it. Mr Speaker, that part is a damning reflection on the Government as a whole. I do not think any individual Minister can deny responsibility for this. It is the Government as a whole, the power situation was taken in hand by the Chief Minister as far back as December, 1979, and I am not going to comment, Mr Speaker, on any officer of the Government that may have been criticised in the report because ultimate responsibility in this House must lie at the feet of the elected Members of the Government side, they must take the can if things have gone wrong for any reason whatever, they must take the can and in the case of power they must take responsibility because they have assumed responsibility in this House. They have answered in the House, they have told us how progress has been made, they have told us of their wonderful plans for a new power station, they have come to us to vote the money, they know the whole thing about the whole situation, and the report is a damning censure on the Government. Mr Speaker, I have really dealt so far with point 2 of my motion - the lack of proper staffing at Waterport station. Now no. 1, the lack of planning and foresight in providing for an adequate and continuous power supply to the community. That is something that we have brought up in this House continuously and it is not really necessary for me to enlarge on it, except to say this. The Hon and Learned Chief Minister, in one of the many interventions he has had on this subject, and indeed when announcing the Committee of Enquiry, said: "Let us look to the future. We want the Committee to tell us how we should do things, how the situation can be remedied". The Hon Mr Bossano, in a motion that he put in, I think it was in March, 1980, when he asked for a new power station which had already been decided and so forth, also said, let us look to the future. We objected because we felt that you could not get a proper analysis of the problems of the power station, of power generation, without looking into the past. You had to look at the causes of the problems and then look for the remedies. And it is interesting to note, Mr Speaker, it is interesting to note that the Committee of Enquiry has said that they had to look into the past. It was inevitable, and imagine, Mr Speaker, if the Committee of Enquiry had been asked to look at the past the sort of report that would have come out. It would have been probably dynamite, I suppose, but they were not asked to do that so they only had a passing reference to it in their interim report. I am just trying to find where that is. Yes, it is in page 4 of the interim report, where they say: "Although it is not our intention to delve into the past nor, indeed, was it inherent in our terms of reference, it was inevitable that during the course of hearing evidence many criticisms and allegations against the Department and all concerned with it should be made". Of course, the past had to be looked at. How can you make decisions for the future without looking at the past, especially in this complex subject of power generation? And the Committee had to look at the past and they had to conclude, Mr Speaker, that the deterioration in industrial relations - they dealt

with industrial relations at page 6 of the interim report, at paragraph 8: "It is fair to say that over and above the criticisms and allegations listed in the preceding paragraphs, two points were made time and again. First, that the deterioration in industrial relations dated back to the general strike of 1972 and, second, that there has not been a proper programme of planned maintenance of machinery since that year when events made it essential that greater maintenance should be applied". I won't go on reading there. Well, perhaps I should. It says: "Where the first is concerned, it has been alleged that memories are long and that management had not been forgiven for trying to sabotage the aspirations of the men. We feel that there is a certain amount of truth in this although subsequent events in 1976, when the party issue was a particular bone of contention, must not be overlooked. Where the second point is concerned, it must be remembered that in the industrial relations atmosphere that has prevailed in the last decade, it has not been easy to prepare a planned maintenance programme which would remain effective for any length of time. To make matters worse, civil foundations problem - there must be a misprint - have also arisen. Nevertheless, we feel that the time has now come for past differences to be buried once and for all". With that we would agree entirely, if there have been. Mr Speaker, the Government, and the records of the House show it, have constantly tried to show that there is a good industrial relation atmosphere. They have admitted that they have had their problems but said that thanks to the intervention on one occasion with this new Works Council, or whatever it is called, of the Minister, he has sorted things out. The Chief Minister has said how good industrial relations were in the Generating Station - he nods his head in disagreement but I will quote something he said in a minute - and that has been the impression that this House has been given. I know that is not the impression the public have been given on the bush telegraph that is disseminated around town where I know, it has come back to me time and time again, that it is the workers in the generating Station that are to blame and I have told the people who have said this to me: "Well, that is not what they say in the House. In the House they say that all is well and we can only go by what Ministers tell us in the House". But that paragraph in the report, Mr Speaker, shows that the Government has misled the Opposition and the public - that is paragraph 3 of my motion - has misled the Opposition and the public in the statements they have made in this House publicly on the issue of industrial relations. That paragraph of the report is an extremely alarming paragraph because it says that since 1972 there has not been a proper planned maintenance programme, Mr Speaker. No wonder we were without power so often and so frequently. No wonder Gibraltar got into such a terrible state. No wonder that the Government in the end had to concede to pressure and build a new power station. Five megawatts will be enough, said the Chief Minister in 1979, and in March, 1980, it had become 10 megawatts. No wonder it was necessary to buy new machinery

quickly and of a greater capacity than had been announced in 1979. Why? Because you had old engines in King's Bastion and there was no planned maintenance programme for it, unless the Committee, of course, is wrong in the conclusions it has come to. And if that is the case then perhaps we will get another Committee to make an enquiry on the Committee that has enquired. It is, Mr Speaker, a terrible piece of news that since 1972 (a) industrial relations have deteriorated for a decade and (b) there has been no proper planned maintenance programme. The Chief Minister said no when I said that we had been misled in the House on it. Mr Speaker, I am not going to go through the Hansard Report but I am just going to, if I can find it, refer to one statement of the Chief Minister at the meeting of the House of the 25th March, 1980, soon after the general elections, when the Hon Mr Bossano rather helpfully moved a motion that we should have a new Waterport power station and the Minister for Public Works in his reply rather helpfully replied: "We are already doing it, there is no need for a motion, we have already put in train". But then there was an amendment that caused all the acrimony, moved by this side of the House. Mr Speaker, if I may refer to page 76 of that column 75/76, there was a difference of attitude apparently in the Generating Station, Mr Netto took a particular view and that is why this particular communique was brought out by the Trade Union some days before the debate and we moved an amendment, to which the Hon Mr Bossano agreed at that time. The Chief Minister said: "Fortunately, instead of taking the rather abrasive and explosive approach that Mr Netto took, the action of the men has been much more reasonable and working methods have been evolved whereby conditions have improved in the output and people are generally as happy as they can be in the difficult circumstances in which they are wracking at the Power Station. I would like to say that we have had special work to be done in the last two weekends and it has been done with great satisfaction and with great enthusiasm by the men and with the best possible industrial relations between management and men. To introduce into this debate acrimony about the Trade Unionists and the employer is to attempt to throw coal into the fire and try and create more animosity about the difficulties that have been experienced by the people and making political capital out of difficulties that people have had to put up with, a thing which is very unfair". There the impression, industrial relations between management and men, great satisfaction, the best possible industrial relations. There is another reference, Mr Speaker, which I will refer to later in the debate, about the good state of industrial relations. Mr Speaker, as far as we on this side of the House are concerned, this is what we want, good industrial relations. We have always said it but, Mr Speaker - the Hon and Learned Chief Minister smiles - what possible reason could we want for bad industrial relations, Mr Speaker, on this side of the House? To have more stick to beat the Government with? We have all the stick we want, Mr Speaker. They have not done a thing right as far as power generation is concerned and the public showed their dissatisfaction with the present Government in this respect in

the last general elections when the Chief Minister's personal vote dropped by 2,000. The public was worried about it and so was the Government and that is why after the election the Hon and Learned Chief Minister, in his address to the Governor at the first meeting of the House, told the House how seriously the Government took what had occurred in the elections and promised us a new generator within 18 months and we argued that there was a slippage of four months but we have been arguing, Mr Speaker, about four months, about eight months and so forth and in actual fact nobody thought it would be three years from October 31st, 1979. It still has not been commissioned, the new Waterport power station, it still has not been taken over by the Government, it still has not got a staff to run it three years after the statement of the Chief Minister. It is interesting to note that in that debate on March, 1980, Mr Speaker, I crossed swords with the Chief Minister on the question as to when we would have the new power station and it is interesting to look at that because the Chief Minister was saying that the power station would be in operation in the winter of 1981/82 and we on this side of the House questioned him as to what he meant by the winter of 1981/82. We said the winter begins in October and finishes around March/April. What was the date he was thinking because if he was meaning April, 1982, we were talking of 2½ years since his promise on the 31st October, 1979, of 1½ years. We were talking of a further slippage of eight or nine months on the statement he made in the House of Assembly as recently as a month before in the Inauguration Meeting of the House in February, 1980. We argued about this, Mr Speaker, and the Chief Minister said: "Well, anyway, it does not really matter because in April, 1981, and May, 1981, that is when we need less power anyway so it does not matter if a year and a half has gone by in April, 1981, because there is less need for capacity then. When we really want it is in October, 1981, when the winter starts". And, Mr Speaker, we all know the story. October, 1981, went by, November, December, January, February, March and April, 1982, and we are now in October, 1982, and we have got the engines in, they are being used, but it is still not being taken over by the Government, it still has not got the staff to run it. But in March, 1980, the Chief Minister was making again clear statements telling us it would be in the winter of 1981/82 and that it was not very important it should not have been April, 1981, because, after all, there was less need for power. I do not know if Hon Members can recall the events that have occurred since all these statements. We have had additional skid generators since then, we have had power cuts between April, 1981, and November, 1981, and the whole thing went on. Mr Speaker, I am not criticising the Chief Minister for having mistakenly misled the House or having inadvertently misled the House in that debate of March, 1980, about industrial relations and about probable time for the new power station. What I am criticising him for, and what I am criticising the Government for is that it is quite clear in the events that have occurred that they did not know what they were talking about in March, 1980, or in February, 1980, or in October, 1979, and that that

lends weight to the indictment of the Committee's Report of lack of planning and lack of foresight. And lack of planning and lack of foresight has been brought in by that Committee only as a passing remark because it was not in their terms of reference to look into the past. If they had been asked: "Please look into the causes of this problem, please say how they have arisen, and please give us the remedy". If they had said that in the terms of reference we would have got, of course, a much fuller report and the whole question of responsibility would have been finally laid to rest. But the Government did not want that to occur, Mr Speaker, because it is quite clear from the report, from the little that has been said, that if the enquiry Committee had been asked to do that, the causes for the failure of power generation, the causes for the lack of planning, would have been laid firmly at the feet of the Gibraltar Government and elected leaders of Gibraltar because they disregarded the recommendations of the Freese, Cardew and Rider Report that they should have a new 5 megawatt generator in operation by December 1980/81. It is that that the Government did not want to come out publicly in an independent report and that is why the Chief Minister always said: "Let us look to the future, let us not look at the past". But it is quite clear that the Committee of Enquiry had to look at the past. They had to refer to the past because when looking at the remedy for the future they had to look at the past and when they looked at the past, the little they looked at the past, they discovered and they accused the Government of lack of planning, lack of a planned maintenance programme and deteriorating industrial relations since 1972. In this House we have been misled on all those three issues by the Government who have constantly denied them in this House. That is why we now censure them. We know this was the case but we had no evidence to support our case in the sense that we got very little information from the Government benches on the true situation in the Generating Station. It has taken a Committee of Enquiry, people from outside, to confirm what we have been saying for five years. Now, Mr Speaker, the fourth point in my motion; the lack, until a Report of the Committee of Enquiry was submitted, of adequate consultative machinery. Again, one only has to read the interim report of the Committee of Enquiry to see that that allegation is fully justified. I would refer the House to page 7 of the interim report, the need for a Waterport Power Station, second paragraph, no. 9, I think it is. "The new Power Station at Waterport is in an advanced stage of construction and the first diesel generation unit is now likely to be commissioned by September, 1982, the second unit, possibly, during October, 1982. No staffing proposals for the new Station had at the time of writing been set before the Trade Unions for their agreement. Neither has there been any formal negotiations regarding conditions of employment or working practices. In those circumstances we have felt it desirable in the public interest to submit an interim report urgently". Adequately consultative machinery, the lack of.

Here we have a report written in April, when the Government was telling the House, you will recall, that this Generating Station would be in full commission by September, 1982. Now it is October or November. But then it was September, 1982, or thereabouts and they have not put any proposals to the Trade Union according to the report. A £7m investment, the people with power cuts, the people relying on promises that it would all be solved and they still did not know how they were going to give them power. They were going to put the engines, but that is about as far as they were getting. Paragraph 11 - Need for a forward-looking strategy. "We have been very conscious for the need that any report submitted should be forward-looking". - Of course, they were, they were told to do it that way, that was their term of reference - That the large capital investment of the people of Gibraltar should be safeguarded. The people of Gibraltar, Mr Speaker, not the Government, not the Ministers, the people of Gibraltar are responsible for the repayment of the loan that is being raised for the new Generating Station. And that they should be guaranteed an efficient and effective electricity service. I do not think anybody would quarrel with what is said there. "All these factors have predicated the need that we should address ourselves as a priority to the transition of the new generating plant. In fact, it is our view that no final report could have been prepared for consideration before the City Electrical Engineer and the Government were required to take decisions regarding staffing proposals for Waterport and King's Bastion". And then it goes on to the future of the Minister's Committee which they say thumbs down. I am sorry for the Minister but they say thumbs down to the Minister's Committee that was set up with such, you know, if you remember in the House, everything was going to go fine after that, apparently it did not and then they give the immediate problems. The Chief Minister asks me why don't I read the whole paragraph. Very well, I will: "The Committee recognise that the present Minister's Committee has served a useful purpose in overcoming the immediate need to improve both the industrial relations and working conditions in King's Bastion, North and South. It is not considered, however, that this Committee can usefully continue in its present form. All the evidence we have heard predicates against it and without wishing in any way to reverse any established order, we are unanimously of the opinion that the setting up of a more appropriately representative Committee is advisable. This would allow all the staffing negotiations for both Waterport and King's Bastion North to proceed in a more constitutional forum". Was the Minister's Committee unconstitutional? I am not quite sure. That is why I have left it out but now that I have been asked to read it I do pose the question. Was there something unconstitutional about the Minister's Committee when this Committee says "in a more constitutional forum"? But, anyway, what I say is correct, they gave the thumbs down to the Minister's Committee. Anyway, Mr Speaker, I won't go further into that except to say the lack of adequate consultative machinery, there was none. How can the Government defend

themselves against these facts? I think they can do so by denying the correctness of the report, that the Committee of Enquiry did not know what they were talking about, that they gave evidence to the Committee of Enquiry and they told them what the truth was and they have come out with the wrong thing. Where could they have got it? They certainly cannot blame the DPBG Opposition for it, Mr Speaker, we did not take any part in the enquiry. Whatever has been said has been said on the evidence of the Chief Minister, the Minister for Economic Development, the Minister for Municipal Services, the Financial Secretary, the Hon Mr Bossano, the Deputy Governor, the Governor. What fantastic leading actors, Mr Speaker, what a fantastic front bench array of evidence they got. And despite all that evidence they came out with this, Mr Speaker. What would have happened if we had given evidence? If we had seen the Preece, Cardew and Rider Report, if we had been allowed to see it, what would have happened? But we were not allowed to see it, so we refused to participate in the report. That is paragraph 5 of the motion. Its failure to make public the Preece, Cardew and Rider Report and thus allow the public to appreciate more fully the power requirements for Gibraltar for the rest of this century. We originally asked for the Government to make the report public so that people should know what the position was. They refused and then we said at least make it known to us so that we can appreciate the situation, and that was refused. I ask you, Mr Speaker, why was not the public allowed to see it? I accept that there was a lot of technical data in it, I am sure there must have been, but why were the public deprived of seeing a report which was so important to the public? They had been allowed to see a whole string of reports since then, Mr Speaker, but that report has always been kept confidential, when it talked of the power requirements for the rest of the century. Why weren't the public allowed to see it and why were we not allowed to see it? They have given us only one good reason, that we are going to make political capital out of it, that is all. Why weren't the public allowed to see it? The failure of the Government to make that report public I think has led to a lot of possibly misinformed criticism of the Government, possibly misinformed. We may have been wrong in a lot of our criticisms but we have never been allowed to see the report and again I think that having regard to the Committee of Enquiry Report, that is a matter of legitimate criticism of the Government by the Opposition. The last one, Mr Speaker, refers to the haphazard manner in which it has dealt with the serious power generation problems of Gibraltar for the last five years. Let us look at the position. Let me recall the 31st October, 1979. The Minister for Municipal Services gave us a long statement of the situation in the Generating Station, told us all about No. 13, No. 11, No. 10, No. 7 and so forth. He did not mention that there was going to be a new 5mw generator. He did not mention it, Mr Speaker, because obviously the decision had not been made. Then what happens after that? He is questioned on his statement quite considerably and then my Hon and Gallant Friend, Major Peliza, gives notice he wants to

raise it on the adjournment of the House, and he does. And when he does raise it, it is the Hon and Learned Chief Minister who replies and takes responsibility for the Government, rightly so, and tells us that in fact he has had consultations in there and that we should have a new 5mw generator, hopefully, in the station, within 18 months. That was a decision made on the spot because there was a considered statement by the Minister but two hours before and no mention of it. And then the Chief Minister in that statement said: "That should be fine for the next three years, or from that date, since 1984", I think he said. Haphazard, surely. Then we have the next event, more questioning in the House, January comes, the elections, Government is returned with a reduced majority in terms of votes but they are returned to power and they make a statement in the House and then sometime during that year, my dates are not quite right, the situation gets worse and the Minister for Municipal Services tell us that they are going to acquire skid generators and they were going to hire them because of course they would have the new power station in operation within 18 months and there was no point in buying them. I don't know the mathematics of it, the Financial and Development Secretary will no doubt be able to tell us whether in fact they were only kept for 18 months or now it is getting on to 2 years or 2½, I do not know, it does not matter, but suddenly the Government had to have a stop-go solution. They did not have enough power so they had to bring in skid generators to do the work. And then the Government decision switches from 5mw to 10mw because they realise the problems that they are having of which we did not know about and we were not told about. And then later on a new skid generator is brought in and the power station is not constructed in the time that was said, there was slippage, explanations for it, explanations galore, Mr Speaker, but if that is not haphazard, what is? From a position in 1979 that we were alright, by the Minister, to the Chief Minister who said they were going to get a 5mw generator and then it is going to be fine, and we are not going to need it after April, 1981, and so forth, into skid generators, at great public cost and expense, into additional 5mw, and then into an additional skid generator. It was stop-go planning, Mr Speaker, that is haphazard planning. The Government never told us anything about skid generators in October, 1979, or in December, 1980, or in February, 1980. They suddenly realised they needed it and they brought it, for good motives, to try and give people continuous power. I do not blame them for that, but for what we are censuring them for here is the haphazard manner in which they have dealt with the serious power situation. Mr Speaker, since the Preece, Cardew and Rider Report of 1976, it has all been a series of haphazard and ad hoc decisions as the pressure on them has mounted, as the crisis has mounted, as Gibraltar has been put into darkness time and time again. I hope, Mr Speaker, this is the last time we will be discussing the power situation of Gibraltar because it does look pretty certain now, that the new power station will be commissioned in November and with 10mw, with all the sums

that we have done, it looks that things should be alright provided that the new Power Station is staffed, provided it is ready to operate. And so, Mr Speaker, these are in general terms the arguments that I put forward to the House in support of the motion of censure of the Government. It is the Government as a whole that we are censuring. The responsibility lies on the Government as a whole for what has occurred and the responsibility continues to lie because it seems that we are still far from a final solution judging from the vote that my Hon Friend Mr Bosqano made yesterday and the deductions that we have made from that. We think that we should be in October, 1982, censuring the Government on this situation after having been told in 1979 that all would be well by April 1981, and then by October, 1981, that we should be in October, 1982, censuring the Government is itself a reflection on the way the Government has dealt with the serious power generation problems of Gibraltar. Mr Speaker, I commend the motion to the House.

Mr Speaker then proposed the question as moved by the Hon P J Isola.

MR SPEAKER:

May I say that when I received notice of the motion, it gave me some difficulty as to the manner it should have been worded because I feel that there are two questions on which the House is asked to take a decision on. It is, in my judgement, a general motion of censure to the extent that it asks the House to censure the Government of Gibraltar for the manner in which it has handled the power situation in Gibraltar since 1976. I think Members should be given an opportunity to vote on that particular part of the motion and then it particularises the censures against the Government which I believe should have been the reasons to support the general vote of censure and like that Members would have been entitled to vote on the general vote of censure without having to subscribe to the particularised reasons. Therefore, I propose, and I say this in order to cut down any debate on this particular aspect, I propose once the debate is over, to put the general vote of censure as a question because I think Members should be entitled to vote, generally, as to the vote of censure and as to the particularised part of the vote of censure I think a separate vote should be taken.

HON DR R G VALARINO:

Mr Speaker, Sir, I rise on behalf of Government to oppose the motion. There are very many things which I do not agree with the Hon and Learned the Leader of the Opposition but they are far too many to enumerate and I feel I shall proceed with what I am going to say because it covers most of the points. In moving this motion of censure on the Government the Opposition speaks with a privilege of hindsight and chooses

to ignore the problem experienced by the whole world in the mid-seventies when national economies and certain industries within them in particular, were facing the severe set-back which the fuel crisis of 1974 represented when prices more than trebled almost overnight. One such industry was the electricity supply industry as small utilities even more so, since they were purely dependent on fuel oils as the only source of supply. This was not the case in the larger national utilities which supplement fuel oil dependent plants with nuclear, hydro and coal fired installations, and thus were less affected by the oil crisis, more capable of recovering and were not in the sorry position of having to pass on such abnormal increases to the consumer. To be more specific, and highlight the point, this House voted £155,000 to meet the cost of fuel for electricity generation in the budget for the year 1973/74 and just one year later, the amount required for the same vote was £584,000; a mere factor of 376.8%. The impact on the consumer was that over the same period the cost of the 60 primary units shot up from £1.48 to £2.10 and the cost of the secondary units almost doubled from 1.2p to 2.1p. This generally difficult situation was compounded in the particular case of Gibraltar by the introduction of parity from 1974 leading to substantial increases in salaries and wages which could not be compared with those being applied elsewhere in a world which was generally going into a recession due to the fuel crisis. Unfortunately for us, the Electricity Department had just then reached a crucial stage in its history, after engine No. 13 was commissioned and there was no room for expansion within King's Bastion. It is against this bleak financial background that planning was required, and whereas it would have been quite simple to have gone straight into a major capital project at the time, as we have now been able to do at Waterport, the financial impact of such a move on the cost of the service to the consumer, coupled with the impact of such high increases in wages and fuel cost, to which I have referred earlier, would have been disastrous. I therefore put it to the House, that contrary to the impression of negligence on the part of the Government which the Opposition is trying to create, there was no lack of planning or foresight, on the contrary the Government could have been accused of irresponsibility if it had not taken the necessary time to investigate all its options and find the best solution in the interest of the public, before coming to a definite decision. This is in fact what happened; the cheapest avenue for the development of generating capacity obviously lay in retaining the generation at King's Bastion, introducing a re-engining programme, whereby old engines with low ratings would be replaced by ones with higher capacities. The process would have been initiated in the South engine room and over a period of time many of the engines would be replaced. Quotations were obtained for the most suitable engines to fit in the spaces available, but because of the limitations of space and working areas, these costs were definitely on the high side. Furthermore, the station would

continue to operate in the heart of the City and this mitigated against such a course of action. Additionally, the heavy construction of the Bastion itself necessitated a considerable amount of civil works if improvements to working conditions and plant installations were to be contemplated which in these circumstances represented substantial expenditure for limited modest gains. The second and logical alternative naturally lay in the construction of a new station elsewhere. However, the cost of such an ambitious project was high by comparison though logically its advantages were far greater. While favouring this line of action, consideration of the money which was acquired did present difficulties and despite several visits to the United Kingdom by the then Financial Secretary the money required was not easily to be found as money was at the time generally in short supply. In these days and in spite of the oil crisis, we were still in a seller's market and it was feared that the impact of such a major Capital Works Programme with its subsequent amortisation requirements could not be embarked upon as it would have further aggravated the effects of the other increases in operating costs of which I have already spoken. It was not until Government had introduced new fiscal measures and tighter expenditure control in the 1979 Budget that borrowing for such a large project became practicable. The House will of course appreciate that this general planning work which is normally an on-going exercise was seriously interrupted during most of the years 1975 and 1977 as a result of the various serious industrial actions which then took place. Work was resumed in earnest during 1978 when it was felt that the effect on supply costs to the consumer would be mitigated and operating costs lowered if any new station could be jointly built with the Ministry of Defence. Reports were prepared both in 1978 and 1979 and despite the considerable advantages offered by this approach, the MOD finally decided against it in connection with the defence spending programme. Thus, despite the great amount of work and effort involved in all this preparatory work, the Government concluded in 1979 that a project of this nature as contemplated would have to be funded from its own resources. However, by the winter of 1979 we were faced with a power crisis on our hands which was more serious than could ever have been imagined. The demands made on the plant were within its capability but the plant itself had suffered the effects of long periods of industrial action, foundation problems had developed on a few of the larger engines in the North Station and maintenance programmes had been disrupted. To make matters worse, in March of 1980 one of the large engines was lost for a long period due to a failed crank-shaft. By this time the Government consultants Preece, Cardew and Rider were already engaged in conjunction with departmental staff in the design and the preparation of tender documents for what is now the Waterport Power Station. Faced with a shortfall in the generating capacity required, the Government followed the course of action taken by many other small utilities and recommended by the consultants which was of course to import temporary plant on hire for a

bridging operation until the permanent installation could be complete. This is nothing new and as I say many small undertakings have been faced with similar requirements. Mr Speaker, contrary to the impression which the Opposition seems to have obtained from the report produced by the Committee of Enquiry, it is completely incorrect to say that there has been a lack of adequate consultative machinery in the Electricity Department. In fact, for a very long period there was a Departmental Works Council. The Council was actually set up in 1973 following the general strike in August of the preceding year. The Council consisted of two Shop Stewards and Senior Departmental Management. Right up to September, 1979, this Committee met regularly and in fact did very good work during the difficult period in industrial relations during the mid-1970's. It was instrumental in dealing with the introduction of the banded pay rates, carried out the identification of the craft allowances meriting areas of work, job descriptions, efficiency payments, productivity schemes and the multiplicity of special allowances which came into effect when parity was adopted. It is true that the Council had no negotiating power but was a consultative forum to deal with areas of application of the new regulations. The Works Council was substituted in November, 1979, by a Joint Consultative Committee. If I may quote from the Hansard of 5th December, 1979, I said then: "The Joint Consultative Council which has been established initially in the Generating Station is not a negotiating body as such and its purpose is not to deal with claims or industrial dispute. The forum which has been created in addition to the normal negotiating machinery will nevertheless have some relevance in the field of industrial relations and eliminating as a cause of possible friction between management and shop floor on all the minor issues which are, in the main, the result of lack of communications. Because the Council is a consultative body which cannot take majority decisions, it is not a question of one side imposing its views on the other, but both sides working today to restore the technical and human relations problems that exist in the Generating Station as, indeed, they exist elsewhere". This was the function of the Joint Consultative Committee. Due to the delicate industrial situation which developed during the power crisis that year, it was felt that wider representation was necessary from both the Management and Staff Sides to cope with the problems and tense situation created. Two sub-Committees were created to deal in detail with areas of disagreement. These Committees met on a number of occasions between November, 1979, and February, 1981, but the Consultative Committee had got off to a poor start because one particular section refused to have representation on the Council. By February, 1981, further problems developed as a result of which another important section voted to withdraw its support to the Council and following this the machinery was no longer considered to be effective as a consultative forum. Within a couple of months, in fact, in May, 1981, during the course of a Work to Rule carried out by supervisory staff and following a dispute in the very section which

had withdrawn its support from the Consultative Committee, a meeting with the Minister for Municipal Services was requested to discuss these problems. The meeting was successful and at the request of the Union a Committee chaired by myself was kept in being and came to be known as the Minister's Committee. This Committee continued to meet regularly right up to the time of the Enquiry. The Hon Member opposite was talking about whether it was constitutionally correct or not.

HON P J ISOLA:

Mr Speaker, I just posed the query that I did not understand what they meant by the constitutional forum. I think I am beginning to understand having heard the Minister.

HON DR R G VALARINO:

Thank you. Mr Speaker, there was no breach of the Constitution. The enquiry says that this type of Committee should not be chaired by the Minister and this is why they recommended that there should be an independent Chairman. In fact, talking about an independent Chairman, I am pleased to see and I welcome the fact that the Chairman of the Steering Committee, Mr Ray Edwards, is in the House today.

MR SPEAKER:

One must not ever refer to the Public Gallery.

HON DR R G VALARINO:

I am sorry, Sir. Equally, Mr Speaker, there has been no lack of planning to meet the staffing needs of the Waterport Power Station. In fact, planning started at a departmental level quite some time ago but unfortunately before negotiations with the Trade Unions concerned could start, events were overtaken by the Committee of Enquiry and its own recommendations which as is now known led to the setting up of a Steering Committee under an independent Chairman. It is true that though the Final Report of this Committee was produced in June, it did not start its work until very recently because there were some considerable difficulties in finding a suitable person to act as an independent Chairman. As far as this is concerned the Hon the Chief Minister will have something to say on this later on. One of the other points raised by the Leader of the Opposition was the question of industrial relations within the Generating Station. Mr Speaker, industrial relations in the Electricity Department have not been good for a number of years, and this has been common knowledge. This is generally the case in essential service industries where the negotiating muscle of the labour force is generally greater than in other industries. There have undeniably been difficulties with the plant and its

operation which by leading to breakdowns of the service at times, have placed additional pressure on the staff and management sides, which in themselves have not been conducive to good relations. In dealing with these matters it has never been the intention to mislead anyone, but it has been our policy, and it is our privilege as Government, to decide on matters of policy, to adopt a low profile in the various aspects of labour relations within the Electricity Department because it has been our view that to have done otherwise would have led to complete confrontation and it was not in the public interest to have pursued this course of action in the past. As for the now much laboured Preece, Cardew and Rider Report, I will repeat what has been said over and over again in the House; which is that this Report like any other, becomes a confidential document and it is the Government's decision whether it wishes to make it public. The relevance of the recommendations of any report, and particularly one which attempts to look way into the future, have to stand the test of time and their validity based over long term predictions are continuously subject to changing circumstances. This Report itself was superseded by a further one and I have no doubt that more will follow over the period it purports to cover. Assessment of electricity demand is a constant on-going exercise and is influenced by socio-economic and political factors which are ever changing. The closing of the frontier with Spain had a considerable effect on demand and patterns, equally a re-opening of the frontier will have another effect which only practical experience will bring to light. Therefore, such a long term report was and even more-so now, still is of little interest or value to the general public.

HON MAJOR R J PELIZA:

What a lot of nonsense.

HON A J CANEPA:

Mr Speaker, I think we have heard the Hon Leader of the Opposition with all due courtesy. I think the Minister is entitled to similar courtesy from Members of the Opposition.

HON DR R G VALARINO:

Mr Speaker, I quite agree with my Hon Colleague. We listened to the Hon Leader of the Opposition for over an hour in silence and the least one would expect from the Opposition is to let me say what my feelings are and if they then want to criticise and bring up points they are quite free to do so. But to interrupt a speech is

HON MAJOR R J PELIZA:

It is not uncommon in this House.

MR SPEAKER:

Yes, but let us not do it.

HON DR R G VALARINO:

Mr Speaker, Sir, I will repeat what I said at the start. It is easy enough to speak with the privilege of hindsight but the cold examination of the facts show beyond question that the censure motion is completely unjustified and clearly motivated by political opportunism. Sir, needless to say, for the reasons given, the Government will be voting against the motion moved by the Hon Leader of the Opposition. Thank you, Sir.

HON G T RESTANO:

Mr Speaker, the Minister says the Hon Leader of the Opposition's motion has the privilege of hindsight. What a load of nonsense. If he were to look at his Hansard he would find that it was not in 1982 that we suggested to the Government that they should increase their capacity in the Generating Station. It was not in 1981, it was not in 1980, no, it was not even in 1979, it was in 1978 when the Opposition first started asking the Government to increase its capacity. So to say that the motion has the privilege of hindsight is a load of rubbish because there is no other argument that the Minister can use to justify the accusations that have been made in the motion. He did bring up some red herrings such as the fuel crisis in the mid-seventies but what on earth the fuel crisis in the mid-seventies has to do with planning for more generating capacity I don't know, it certainly, I think, has nothing to do with it. He also spoke about bleak financial background in the mid-seventies which was in fact, of course, the time when the British Government through Mrs Judith Hart who came to Gibraltar and gave us £14m, so part of that had it been sought could have been used for power generation. As far as the skid-mounted generators are concerned he justified his position by saying that of course they had been purchased because there had been consultation with the consultants and that they recommended it. Of course the consultants had to recommend some immediate action at that time because there was a terrible situation in Gibraltar, a terrible situation when there were power cuts and the Government just did not know how to keep Gibraltar supplied with electricity. What other course could the consultants have recommended? Something had to be done, that was the only thing. But why had it to be done? It had to be done because there had been no planning in the past. Then we come to the question where he disagrees with the comments made by the Committee of Enquiry on the question of consultative machinery. Well, he told us, there was a Works Council appointed in 1973, and this was

HON CHIEF MINISTER:

If the Hon Member will give way. What he was dealing with was an item in the censure motion as to the lack of consultative machinery.

HON G T RESTANO:

Mr Speaker, he said that there was a Working Council in 1973, which was then replaced by a Joint Consultative Committee in 1979, and then in February, 1981, that Joint Consultative Council was thought not to be effective. Well, that is the whole point, I think, of what the Committee is saying. The Committee is saying that there was a lack of consultative machinery, of successful consultative machinery, and it has been proved that those Committees and Councils were unsuccessful by the bad industrial relations that had existed over the years in that department. Mr Speaker, I want to go back to a little bit of the history of the Generating Station. Engine No. 8, which is the oldest of the remaining engines, was imported into Gibraltar in 1956. In 1961, No. 9 engine was imported, a year later in 1962, No. 10, 1967 was when No. 11 was imported, the following year in 1968, No. 12, and the largest and biggest one, No. 13, was imported in 1972. Since 1972 there has been no importation of machinery other than the skid generators and in an era, 10 years that is, in an era where we have had the explosion of electrical appliances, all over the world, where television sets, washing machines, everything, all the electrical appliances are used, and yet in 10 years no planning. In 1976 we come to the Preece, Cardew and Rider Report which the Ministers say is not of value to the people of Gibraltar. That Preece, Cardew and Rider Report, Mr Speaker, had recommendations, many recommendations. A few that we do know. We know, for example, that it said that there was a need for power development. We know for a fact that a 5mw engine was recommended, we know for a fact that that 5mw engine was recommended to be in Gibraltar since 1979/80. But how many other recommendations were there? How many other recommendations have been kept secret? And why have they been kept secret? I remember one reason given by the Chief Minister and that was that he did not want to give ammunition to the Opposition before an election. Mr Speaker, if the Hon Chief Minister now says that he did not say that, I would advise him to read his Hansard of December, 1979. And I quote: "I am not prepared, as I say, to give ammunition to the Opposition in order that they should do that". I think, Mr Speaker, that the Chief Minister should know me well enough to say that when he has said something, I know for a fact that it has been said. Why the secrecy? Of course there is ammunition in that Report. Of course there is ammunition, because consultants were brought out in 1976, they made a Report, they made recommendations, all that had to be paid for by the people of Gibraltar and yet what did the Government do? Nothing. No action whatsoever. That was the ammunition

that the Chief Minister, I would imagine, did not want to give to the Opposition. And there were power cuts, and people suffered, and as I have said before, in October, 1978, without the benefit of knowing the contents of the Report, the Opposition suggested that extra engines should be purchased. And there were more power cuts, and although a year earlier in 1977, the Government already had an inkling, a very good inkling, of the state of affairs in the Generating Station through a Ministerial statement made in the summer, nothing was done. We continued to ask questions, continued to have motions, but nothing was done and people continued to suffer with the power cuts and to pay, too, because how much did people have to pay out of their own pockets for butane equipment, torches, candles, traders had to pay, how much did traders have to pay in goods that perish, in loss of business, and what about tourism, the effects the power cuts had on tourism? Tourists who came here hoping for a nice holiday, their meals interrupted by power cuts, the lifts in the hotels, those people will never come back to Gibraltar again and that is a direct consequence of the lack of planning which the Government have had in the Electricity Department. Who is to blame? It would be easy to blame the Minister. I will criticise him later on another aspect but not on this particular one. After all, since 1976, which is referred to in the motion, there have been three Ministers for Municipal Services. One who is no longer in the House, the Hon Major Dellipiani and now the Hon Dr Valarino, three Ministers.

MR SPEAKER:

I think there were two, I am not sure.

HON G T RESTANO:

The Preece, Cardew and Rider Report was made in 1976.

MR SPEAKER:

But who was the other Minister?

HON G T RESTANO:

One who is no longer in the House, Colonel Hoare. So there were three. The real culprit is the Chief Minister, his is the responsibility. If we are to blame the Ministers, those Ministers are appointed by him and he is the Head of the Government. He was the one who lacked foresight and he is the one who stands accused for the suffering of the people of Gibraltar due to the power cuts over the last five years. It is his responsibility because as has been mentioned by my Hon Leader, he was the one who announced in desperation in October, 1979, that the Government would be purchasing a 5mw engine. Why was it him and not the Minister? I suppose it

was his justification before an election to be able to go to an election and say: "I have now decided to buy a 5mw engine, and not only have I decided to have a 5mw engine, but I will have it here in 18 months", in an eagerness to justify himself to the electorate for all the power cuts. But he grossly misled the House, and the people, because he did not have that engine out here in 18 months, nor in 2 years, nor in 2½ years, 3 years, double the time. It must have been, I suppose, complete misjudgement to say that he would have the engine here in 18 months because I cannot believe that it was any calculated act to mislead the people, surely, but a misjudgement as there have been misjudgements by his Government in so many fields in Gibraltar. And so there were elections and the Chief Minister came back as Chief Minister to this House and, funnily enough, I remember that during the election campaign there were no power cuts. I wonder how much that cost the people of Gibraltar at the time? How much it cost in either overloading the engines or even paying people more to make sure that there were no power cuts. But they came back after the elections, of course, the power cuts. Oh, yes, they came back after the elections with a vengeance, and people continued to suffer, and people continued to pay, and people continued to pay, for example, buying small generators so that shops could be opened to serve the people. And then came the saga of the skids. Skids which we have always felt on this side of the House should have been purchased rather than hired. At the end of the day the cost of the hire and all the overheads of those skids is money for which we will see nothing. It has gone. Those skids will be returned at the expense of the Government and perhaps for slightly more, only slightly more now, because it is now running into many, many months, those skids could have been purchased and retained in Gibraltar in case at a future date there was any requirement for them or, perhaps, they could have been sold off to somebody else and that, too, would have been an extra income. But whatever the reason, those skids had to be brought in because there had been a lack of planning for the power station. And did we get rid of those power cuts? No, we did not get rid of power cuts. From time to time there were power cuts and we were told that three skid-mounted generators were out of action. We had a motion in this House, Mr Speaker, for the Government to provide a public enquiry into the Generating Station and they refused, they voted against it but they decided to have a Committee of Enquiry. I do not know really, whether they are so happy now to have had a Committee of Enquiry because really what the Committee of Enquiry comes up with and shows is that there has been complete mismanagement of our affairs in the Generating Station. Some of the recommendations are absolutely elementary. It should not have been necessary for the Committee to come up with some of the recommendations, they are just common sense. And I suppose if that particular department was being run with such lack of common sense, I wonder if any other departments in the Government are being run with that lack of common sense. Let the Chief Minister not hide behind his Minister in the taking of responsibility. I would have

thought that on a motion of no confidence on the Government, it is the Chief Minister who should have replied to the Mover of the motion and not allow his Minister to reply for him. He leads the Government that mismanages Gibraltar's affairs. And what has the cost to Gibraltar been of this mismanagement in the Generating Station? How much has the consultants' report cost, a report that has not even been adhered to? How much have the skid generators cost, over £400,000? How much have the people of Gibraltar had to pay during power cuts? How much have we lost in tourism because of them? How much have we had to pay in overtime because of lack of planning and lack of maintenance programmes? This Government has nothing left to offer, Mr Speaker. They have no new ideas. They cannot as has been proved in the report, they cannot run Gibraltar with any sense of efficiency. They perhaps try to give their best but it was found unfortunately wanting. How should the Government deal with this motion? I think that the only honourable way, if there was any moral and political integrity left, was to resign from this House, abstain from the motion, resign from this House, go to the polls, call a general election, and let the people decide whether and who is worthy to run Gibraltar.

HON CHIEF MINISTER:

I could easily take that challenge and get another 4 years according to habit. Mr Speaker, when I saw this motion, I had the impression that here was the Opposition trying to flog a dead horse and to some extent the intervention of the Leader of the Opposition confirms that except that towards the end it confirmed it in a way but on the other hand it showed that they were at the end of this problem and that they could not hit at us any more because after all we are now having a good and modern power station and there should be no reason why there should be any more problems. But then, of course, hearing the Hon Mr Restano, I really think that not only was he hitting at a dead horse but he was trying to go to the funeral with it and trying to repeat the old complaints that have been made here. The change of attitude of the Members of the Opposition about who is responsible and now saying that it is the Chief Minister. Of course the Chief Minister is responsible for what the Government does and the Chief Minister is also responsible for the way in which the business of this side of the House is conducted so if the Minister has made his statement at the beginning it was because it required a quiet and realistic assessment of the situation which he has done and put the matter in its proper perspective. But this change of attitude on the part of the Opposition to say: "Ah, nothing to do with the Minister, it is the Chief Minister", does not seem to fit in with the communique which was issued after my last reshuffle when I was told that I should dismiss the Minister. So, where are we? Do they often meet to find out what one is going to say that the other one has not, or that the other one that is in London has not heard what is happening here and so on? This really shows that they are really trying to

make the utmost political capital of what is something that is now really historical in some respects. But, of course, we do not shirk our responsibility and the fact that we do not shirk our responsibility was that we appointed a Committee of Enquiry, but a Committee of Enquiry would look, as we said, to solving the problem. Of course we knew that the Committee of Enquiry would have to look at the past in order to judge the future. But what the Opposition wanted, which is a little of what they have done today, is a Commission of Enquiry in order that they would look at the past, make assessments, and then they could come up and say: "I told you so", and apportion blame. Apportioning blame in a situation such as this would have done no good at all because it is no secret that there have been difficulties at the Power Station, it is no secret that part of the problems arose out of industrial relations, and let me say that when we speak about industrial relations we are not talking of the workers only. When we talk about bad industrial relations, whoever may be to blame, arise also out of management as well. It isn't that we are saying we were keeping quiet about this, of course not. And we have no bush telegraph, but that the people had a feeling that things were not alright at the Power Station, yes, of course, it was known to everybody, and that a lot of the difficulties that we have had have been as a result of the bad industrial relations there is no secret either but the fact that we did not want to seek a confrontation on that basis and bring Gibraltar to a complete darkness in order to see who was going to win the battle as between one and the other, I think it is the most responsible thing that any Government can do despite the fact that it knows that it is subject to criticism particularly by right wing people like the people in the Opposition who hate anything to do with proper industrial relations and who really are saying: "Well, Bossano must be got rid of. This is the only way to solve Gibraltar and so on". This has been said by Members of the Opposition, I have heard them, not that I care whether Mr Bossano has got to be got rid of or not, he can look after himself, I do not care about that, but this is the attitude of the right wing Opposition that will never be a Government and I was thinking before that there are only two Members in the Opposition who have had any experience of Government. One Member who was elected as a result of a coalition and the other one, Mr Isola, as a result of a coalition, too, never elected as a Minister in Gibraltar. In the 1964 election he was Leader of the Opposition and he became a Minister when we had a coalition in 1965, but after that he has never held office except when he was my Deputy but he knows enough, he has been long enough in Government to know that one thing is to talk from there and the other thing is to meet the realities of a situation. We talk about a whole spectrum of years and what has been done and what should have been done. There is one area of which I have particulars to show what people ask and recommend and what the Government had to do and the difficulties it finds to do it and that of course is with one of the headings in connection with the Steering Committee, I will put it that way, I

do not know under what heading it comes. Let me tell the House of the difficulties and the delays in setting up the Steering Committee which was considered so urgent that the Committee of Enquiry rightly made an interim report with that recommendation. That was a recommendation that we should appoint an independent Chairman and set up a Steering Committee that would lead to a Consultative Committee, that would lead to proper negotiating and consultative machinery to see that the difficulties that we had had in the Power Station in the past would be solved. I have a track record of what has happened on that, Mr Speaker, and I must refer to it not because I particularly want to go into this amount of detail but because it is typical when you have a record, it is typical of the difficulties that Government finds itself in carrying out its duties and it is typical of the difference between preaching from the opposite side as to how things ought to be done because anybody listening to the debate this morning would have thought that the Council of Ministers meets on a Wednesday and decides whether we are going to have a 5mw Power Station or whether we are going to have this or we are going to have the other without consultation, without proper machinery, without proper advice, without proper enquiry as to the money, without proper investigation by the department, or by the Treasury and so on.

HON P J ISOLA:

Isn't that what happened on October 31st, 1979? Out there he decided it, isn't that what he did?

HON CHIEF MINISTER:

Yes, yes, of course, I assume full responsibility for that, the Government has got to take decisions at times but normally, the Hon Member well knows that is not the case. Mr Speaker, the interim report was submitted to His Excellency on the 16th April. It was circulated to Council of Ministers on the 19th of April and considered on the 21st April when the recommendations of the Committee were approved, the interim report. I then decided to approach somebody independent in Gibraltar who would be the Chairman of that Committee and we all know when we want people of calibre that our sphere is limited, we have to find somebody who has the calibre to do it, you have got to find somebody who would also be acceptable to both sides, particularly to the union, because if one thinks of a person it is because he is acceptable to one and he has to be acceptable to the union. I approached a prominent citizen immediately after the Budget Session, which was at the end of April, actually on the 6th May, shortly after we finished with the Budget. So we have the dates. Report on the 16th April, Council of Ministers circulated on the 19th, discussed on 21st, Budget Session in between, approach on the 6th May. The person I approached liked the challenge because it was isolated and did not mean an on-going thing, it was a job to be done but unfortunately

a few days later came along and told me that because of particular difficulties that were going through, a part of his business activities, that was the wrong time but he was available for any job of that kind of nature if I called upon him. Therefore when I saw him on the 6th of May he said: "I do not want to say no straight away, I want to think about it but there are these difficulties in addition to some medical difficulties that there were at the time". A few days later he came along and said: "I am very sorry, I really cannot accept it". Then I saw another prominent person on the 14th of May who again thought that he was too committed and so on but he did not want to say no without thinking about it and he came and rejected it on the 17th of May and then between the 17th of May and the 25th of May I approached a third one who sent me a very nice note on the 25th of May saying that he really could not because of his many other commitments. Let me say that in all these cases I tried to clear with Mr Bossano, actually, because he is the representative of the Union, whether the person would be acceptable because it is no use appointing an independent Chairman that was going to be met with a rejection on the part of the Union. After discussion with all concerned about these difficulties, Mr King, who was the Labour representative in the Enquiry, the Enquiry was chaired by Sir Howard Davis, Mr King was the experienced Trade Unionist and Mr Jackson was the Engineer, Mr King who was a member of the Enquiry was approached on the telephone and on the 8th of June, I remember the rejection came on the 25th of May, on the 8th of June he undertook to consider the proposal in consultation with his former employers with whom he had entered into a commitment to do some extra work for them. As Mr King had done the Enquiry we thought he might be good, he said that he liked the idea but he wanted to clear it because he had already got a commitment to do another job of this nature. Then the matter was discussed with Mr King during his visit to Gibraltar in the week commencing the 14th of June, we approached him on the 8th of June, he said that he had to consider it, he came to Gibraltar during the course of the enquiry and then terms were agreed on the basis of his consultancy subject to his being able to arrange matters with his former employers with whom he had taken a commitment to do certain work. On the 22nd of June Mr King telephoned from the United Kingdom to say that he could not undertake the task. Then Mr Jackson, the other member of the Committee, who after all they were the people who had recommended the Steering Committee, was on that same day approached, that is on the 22nd of June, and on the 24th of June he replied saying that he could not be released by his employers. This was on the 24th of June. On the 25th of June, at a meeting with the Governor, I asked in desperation whether the FSA/DCE might be able to help. His Excellency asked for more details and these were provided under cover of a letter which I sent him on the 28th of June. On the 30th of July, the Deputy Governor sent the then Acting Administrative Secretary details of five persons suggested by the PSA. On the 14th of July the Establishment Officer telephoned the Administrative Secretary, who was in London, asking him to contact two of

the persons in the list provided by PSA who appeared to be the most suitable with regard to age, experience and so on. So, really, the Administrative Secretary was in London the day after we were given the names, we rung up the Administrative Secretary and asked him to try and contact two people from a list we had been given. We sent him a telex giving details of the two persons concerned. The Administrative Secretary telexed back asking for details of the duties of the Steering Committee and these were provided because in London they did not have the report and he wanted to approach these people with the duties entailed in the recommendation for the Steering Committee. On the 15th of July the Administrative Secretary spoke to one of the two gentlemen but was unable to contact the other one until the 16th of July, the day after. Then he telexed the Acting Administrative Secretary on that date and the latter wrote to one of them on the 19th of July. This gentleman replied on the 26th of July to say that he could not undertake the task and the Administrative Secretary wrote to the other gentleman on the 27th of July and arranged for the letter to be taken to London by hand and posted there. This gentleman declined on the 31st July. The FCO suggested somebody who was approached and also declined our invitation to chair the Steering Committee. Then we approached Mr Jackson, the engineer who was a member of the Committee and who had declined and he was not available until the following day when the Administrative Secretary told him of our problem and suggested that he might consider whether any of his colleagues or acquaintances in the industry might be suitable and able to take on the job. Mr Jackson telephoned back on the 4th of August to say that he had approached one possible candidate who, however, was not interested and had been unable to contact another who appeared to be out in the country. He suggested that the Industrial Society, which is a very well recognised Society which is run in order to help in industrial problems, I think, mainly, in the private sector, he suggested that the Industrial Society might be able to help and the Administrative Secretary agreed with his suggestion that he should put the matter to them as soon as possible. He explained the urgency arising out of the fact that the reliability tests were about to commence. Mr Jackson telephoned again on the 5th of August to say that he had contacted the Industrial Society and they seemed to be interested and said that the problem was one within their ambit. It would however, be necessary for him to speak directly to a Director, a Mr John Garnett, who would not be available until the 6th of August. He undertook to telephone him on the 6th of August and the Administrative Secretary would then hear from either Mr Garnett or from Mr Jackson. Very shortly after that the selected person who is now carrying out the Steering Committee Chairmanship came out to Gibraltar to look at the situation to negotiate terms for his consultancy and he immediately took up the job. This is an indication, Mr Speaker, of the unfortunate events that led to delays taking place in Government departments. I have no doubt that there are many delays in Government departments that can be avoided,

that are probably the result of negligence or lack of due care or lack of a sense of urgency and so on. I am not saying that that does not happen in the best of places. But in this record that I have set out here I hope it will be appreciated that it is all very well for a recommendation to be made by an Enquiry Committee as it did, and it is then the practical difficulties of putting it into effect. Here we were from the 16th of April until August trying to seek a chairman and every step that was taken in that respect which of course have been recorded in the course of things, have been extracted from the records and I have given the House an indication of the difficulties. Had this been possible early in May, we would have had the advantage of three months of work.

HON P J ISOLA:

If the Hon Member would like to give way. Of course in the motion the lack of proper provision for staffing is taken from the interim report. We are quite happy to hear the explanation between April and September but you will recall that my criticism has been at the fact that up to April there had been no provision. This is what I said. I agree the motion can be read differently but the Hon Member has spent half an hour telling us all he did but not telling us why he did not do it before April, 1982.

HON CHIEF MINISTER:

It is what has happened since then. We have to look at the motion on the 14th of October, we have not got to take the motion on the 16th of April or before the 16th of April. We have to look at the whole picture. In fact, the Minister has said that plans had already been made for the staffing of the Waterport Power Station but what were those plans going to be when in fact we had commissioned an enquiry and the enquiry had made an interim report asking what had to be done immediately. Had it not been for that enquiry the Waterport staffing situation would have gone along in consultation and as the Minister has said of course the Government and the department had plans and ideas of how the Power Station had to be manned. It would have been ridiculous to start a £7m programme and the department not taking any account of the fact that that station had to be manned, that is ridiculous.

HON P J ISOLA:

That is what the report says.

HON CHIEF MINISTER:

It does not say that. The report does not say that. The report found that before any of the proposals could be put to the Union it should be better to create this machinery in order that it would start on a good basis. Really what we are talking about in this case is not just a question of whether something happened in 1978 or 1976 or whatever but the action taken by the Government particularly on that interim report and that I only mentioned first of all to inform the House and the public of how matters are taken when recommendations are received and so on and to also show the difficulties that are encountered in carrying out recommendations, be it from a head of a department or be it from a powerful enquiry team as this one was. Another point that has been made by the Leader of the Opposition in the motion is the formidable number of Members of the Government who were interviewed by the enquiry apart, of course, from the Chamber of Commerce, the Trades Council and Mr Bossano. But who else would they have enquired from? After all, if they were enquiring how the Power Station was being run, they were not going to ask the people in the Public Works Department, they have to ask the people who were running it. They were enquiring into the matter and they were therefore finding out how the thing was being run. Who else could they meet? The Opposition chose not to cooperate, that was their privilege. I requested them to reconsider but they did not want to, that is their privilege. But they met everybody, other than the Opposition who declined, who chose to meet them because they put up an advertisement and they invited, through the press, anybody who had anything to say and they saw the normal representative people in these matters, the people who represent the affected people, the Chamber of Commerce, the Trades Council, the Unions and so on. And, of course, everybody running the Power Station. They had to. How else could they come to a judgement? If you say: "Well, the judgement is that something is being badly done", and the people in the Power Station have not been consulted they would be very resentful that any suggestion had been made without their having been heard. That I think is really a ridiculous suggestion to say the formidable number of people, all of one side. Of course, they are the people who are running the Station. They were enquiring into that and also there were outsiders who volunteered or who were invited and responded. If ever there was a red herring that was one, to suggest that they should not have seen anybody other than people outside because the people inside were going to tell them the best story possible. The enquiry team was not going to be misled, they have made the enquiry, they have made an assessment, there are criticisms in the report, we knew that there would be criticism in the report, of course, but the great difference is that the report has always been intended to settle matters for the future and not to have an inquest on the past that would have exacerbated the position, that would have started to apportion blame and which would have created precisely that confrontation because everybody thinks that he

is right in what he does and when it differs with somebody else he thinks the other fellow is wrong and therefore an inquest into past difficulties would only have given satisfaction to the Members of the Opposition. I am satisfied as the Leader of the Government that that was not in the public interest. I have the responsibility and the power to make that judgement and I made it and I am proud to have made it that way and though I know that it is the role of the Opposition to oppose what the Government does, it does not worry me in the least because they have to do that, it is part of their policy. I suppose they do little enough because they do not write letters to Ministers, they do not look after constituents in that way, they wait until a meeting comes to find out whether the lavatories at the Public Markets are being properly cleaned or not. They are frustrated, I can understand that, I was only a very short while in the Opposition, for two years and ten months, until people found how wrong they were and I took advantage of putting all my papers in order but I appreciated then and I appreciate now how sad it must be for people to be there year after year, except for those who do not want power like Mr Bossano, how frustrated they must be to take second place.

MR SPEAKER:

Order, order.

HON CHIEF MINISTER:

How frustrated they must be, to take second place, not to be invited to some places, invited to others. I can understand that and then of course they have their compensation, they can talk in the clubs and undermine the Government, they can spread rumours that we are not doing our work, that things are coming to a very bad end, I can understand that. I can understand that when the House meets they have to make some thunder to justify their existence and that, I think, is the real reason for this motion. Mr Speaker, the reason of course is another bigger one, bigger than all that. The reason is that we have built a station which is going to be the pride not only of Gibraltar but which the manufacturers think is a showpiece for people to come from outside to see the station. As soon as possible the people of Gibraltar are going to be given the chance to go through it and to appreciate what has been done not only for the people but I also hope it will be appreciated, for the people who are going to work there and produce the electricity. It is true, of course, it is true, that apart from anything else whoever decided in 1894 or 1895 to put the Power Station in King's Bastion

HON P J ISOLA:

Wasn't it the Chief Minister?

HON CHIEF MINISTER:

I was not around then, Mr Speaker, but I may be at the end of this century, you know, and we may have to have another part of the Mole to extend it. Do not under-rate my powers of endurance. Those, I think, are proved by history but it is true that what they really are annoyed about, well, not annoyed, I do not think annoyed is the right word, I do not think it is the elegant word to use, they cannot be annoyed, they must be resentful that it has been this Government that despite all the difficulties, despite all the litany of concern repeatedly made by Mr Restano, we were elected again and it has given us the opportunity to build a Power Station which is going to be the pride of Gibraltar for many years to come and which is planned in such a way that can provide for the future development of Gibraltar as we all want it, a Gibraltar which is prosperous and requires considerable amount of energy and that will be supplied in conditions which are acceptable, to some extent ideal, and certainly whatever may happen in the future and I hope the future will be a bright one in respect of industrial relations at the Power Station, no one will be able to say that industrial relations were bad at the new Power Station because conditions were bad as they were at King's Bastion. At King's Bastion Power Station the proximity, the closeness, the nature of it, has of course been one factor which has exacerbated the situation many times, there is no doubt about it. Therefore to some extent some of the problems may be attributed to that apart from other attitudes which in fact we hope have been left behind but certainly no one will be able to say that the best conditions possible have not been provided to provide proper energy to Gibraltar for now and for a long time to come because it is liable to be extended, but also to provide adequate, suitable, reasonable, human and happy conditions for the workforce to work better for the better future of Gibraltar and for all concerned.

MR SPEAKER:

Well, I think we will now recess until 3.15 this afternoon when we will resume the debate.

The House recessed at 1.00 pm.

The House resumed at 3.25 pm.

HON A T LODDO:

Mr Speaker, two or three days ago, I was asked by a member of the public: "Why does the Opposition put in motions of censure particularly when you know the outcome of the motion? You know that the Government will defeat it by the majority they hold". My answer was that in bringing forward a motion of censure one did not bring a motion lightly. Much thought went into it and the motion had to be on something which was of great public concern. That the idea behind bringing a

motion, although we knew beforehand that the motion would be defeated, was to have a chance to air in public the question and to have the opportunity to tell the Government to its face what a lot of people in Gibraltar are saying behind their backs. It is necessary, Mr Speaker, once in a while, to be able to tell the Government to its face what people say behind their backs because obviously they have to be brought down to earth occasionally, they have to be made to face reality occasionally. If you are surrounded or if you surround yourself with people who always say yes and how good you are and how well everything goes, eventually, you could very well fall into the trap of actually believing it and you begin to lose touch with reality. Mr Speaker, that was the answer I gave this member of the public as to why, in my opinion, the Opposition in Gibraltar brought a motion of censure on the Government. Mr Speaker, I believe that there are not two sides to every story but three sides to every story. There is one side, the opposing side and the truth. The truth, Mr Speaker, always lies somewhere in between because no matter how honest one likes to be with oneself one can never in defending a position be objective, being human we must be subjective. And Mr Speaker, in trying to see the true side of the story, the Government was persuaded to set up a Committee of Enquiry and I would like to believe that the Committee of Enquiry came up with the truth, the truth of the whole sorry matter. Mr Speaker, if this is the truth of the matter and if I may be pardoned the pun, the City Electrical Engineer Department has come out in very poor light and the Government itself has fared very little better. Mr Speaker, the Opposition for years has been talking of lack of planning on the part of Government vis-a-vis the power generation. Certainly, since 1980, I can recall from first-hand experience and, Mr Speaker, the lack of planning on the part of the Government has been borne out by the findings of the Committee of Enquiry. I would say that Government in its reticence in making public the recommendations of the Preece, Cardew and Rider Report has declared itself guilty by implication. Mr Speaker, to the ordinary man in the street the advent of the skid generators was the interim solution to the power cuts. They would do away with the misery of the power cuts and, in fact, a Government Minister went so far as to say that, precisely that, and accused the Opposition of being niggardly, I suppose, although he did not use the word, because he said: "Here we have the Government doing something about Varyl Begg, here we have the Government doing something about the power situation by bringing in skid-mounted generators and there is the Opposition trying to blow it all away". Well, Mr Speaker, the man in the street in Gibraltar was so fed up with power cuts, so frustrated, that when he was told that he was to pay £11,500 a month for the skid-mounted generators he said: "Well, at least we will have no more power cuts". Well, Mr Speaker, not even with four skid-mounted generators and one trailer-mounted generator have the people of Gibraltar been free of power cuts. In fact, at one time not so many months ago, after a power cut, we were told that three of the four skid-mounted generators were out of commission. For the last four years we have been subjected

to power cuts and the imagination of the Government, Mr Speaker, must have been stretched to its uttermost limits to find excuses for their failure to provide an adequate and continuous power supply. Their powers of imagination must have been taxed to the maximum. We have had excuses that ranged from the ridiculous to the sublime and back again. We have had excuses on technical terms, crankshafts, cooling systems, but we have also had unexpected power demands because of the heavy leventer cloud and the latest one was the accidental tripping of a switch which apparently was accidentally tripped twice. Mr Speaker, who are we trying to kid? Rather, who is the Government trying to kid? This, Mr Speaker, is 1982 and even in parochial little Gibraltar people are educated enough and sophisticated enough not to be fobbed off with glib and feeble excuses. Mr Speaker, the new Power Station should have been ready in the winter of 1981/82 and now if we are lucky we will have to settle for 1982/83. What excuse can we get for that? Mr Speaker, it is very good for Government to ask the Opposition to forget the past, to forego acrimony, not to seek to apportion blame but instead to look to the future. Very comfortable. But in asking us to look to the future I would ask the Government what do they exactly mean by the future? Is the future tomorrow, or does the future mean a slightly longer term than that? We have had the Hon Minister, Dr Valarino, confirm that no agreement as to the manning of the new Generating Station is yet in existence. Mr Speaker, it is very good for the Government to ask us not to look back, not to apportion blame, but the way I read the Committee of Enquiry's Report, Mr Speaker, it quite rightly does apportion blame, it is very lavish in apportioning blame. And it blames who it must blame for the absolute shambles the City Electrical Engineer's Department finds itself today. A Department which I might well add was in City Council days a credit to the City and a source of pride to the Council. But when all is said and done, Mr Speaker, a ship is only as good as its Captain, a company only as good as its directors, an administration only as good as the Government and the Government in this case has been found to be sadly lacking. Mr Speaker, there were moments this morning when listening to the Minister, Dr Reggie Valarino, and listening to the Chief Minister, when my heart actually went out to them. They were defending an indefensible position, Mr Speaker, they were trying their best to waffle their way through. They were trying their best to cloud the issue and they did their damnest not to answer the points that were raised. Mr Speaker, I have had the opportunity of telling the Government to their face what a lot of people in Gibraltar are saying behind their backs. Whether they take heed of this, whether they believe it, this is entirely up to them. But before I sit down, Mr Speaker, I would like to air a little grievance which I think is a grievance which I am sure all Members of the House hold. Even the Government will have to agree with me. That in a matter of such importance as a motion of censure on such an important issue as the question of power generation, when the Government is under attack by Members of the Opposition and the Government is seeking to justify itself, that in airing it in public I think every Member of this House would have

been glad of a public in which one could air this matter in front of and it is a sorry case, Mr Speaker, I feel, that the public of Gibraltar is not more civically minded or more conscious of its responsibility and does not attend more frequently the meetings of this House. Perhaps, Mr Speaker, there is therefore a truth in the old adage that a people get the Government they deserve. Thank you, Mr Speaker.

MR SPEAKER:

As there appear to be no other contributors to the debate I will call on the Hon the Leader of the Opposition to reply.

HON P J ISOLA:

Mr Speaker, what a sorry performance we have seen today. I agree entirely with what my Hon Friend Mr Loddo has said when he has criticised the Government defence as being trying to defend what is indeed an indefensible position. I have never in my many years in the House heard a Chief Minister of Gibraltar answer on behalf of his Government in a way of avoiding all the issues put forward in the motion. I think in his heart of hearts he knows that there is no defence and I think what has worried him most about this motion of censure, and this was quite obvious to me as he spoke, is that the Opposition on this occasion have accused him, he has been put in the dock as Chief Minister as being responsible for the situation that has arisen in Gibraltar. I think he was hoping that our attack would be directed at the Minister for Municipal Services and that possibly at a convenient time he could move him on elsewhere and thus rid himself of any stigma relating to the poor Government performance on power generation. And he even reminded us that we had said in a press release that he should move the Minister for Municipal Services somewhere else. That is true, we did ask him to do that, but the proceedings in the House today have shown that the Chief Minister could not move the Minister for Municipal Services away from that Ministry without making him responsible for the situation that has arisen and how could he move a Minister from a position of responsibility when the real responsibility lay on his own shoulders and that probably explains, Mr Speaker, why the Hon Mr Zammit was moved off and the Hon Mr Perez was changed but the Hon Dr Valarino was left in post.

HON H J ZAMMITT:

If the Hon Member will give way. I think the Hon Member will realise that I did seven years in Housing not seven months, six months or ten months, seven whole years. I deserved the changed, Mr Speaker.

HON P J ISOLA:

But the Minister for Housing was saying in the election: "I did it and I am strong enough and I will go on doing it".

HON H J ZAMMITT:

I had the misfortune of suffering a nervous breakdown, I hope to God he never suffers one, Mr Speaker.

HON P J ISOLA:

But there we are, Mr Speaker, of course the Chief Minister could not move the Minister for Municipal Services, how could he when he had been controlling all the operations since 1979 from the office of the Chief Minister. He had been making the decisions, it was him who went out there and came back in October 31st and announced that he was going to make sure there was a 5 megawatt within eighteen months. The Chief Minister took a tremendous amount of trouble, not Hon Members, the Chief Minister took a tremendous amount of trouble to exculpate himself, not the Minister for Municipal Services but himself, he got out the record, the meticulous record of what he had done between April and September, 1982, and I have no doubt he gave a copy of that record to the press. He did not bring out the record of what he had done between 1979 or 1980 or 1981 when he had been making statements in the House, no, April, 1982, to September, 1982. But, Mr Speaker, by then the horse had bolted, it is no use shutting the door after the horse had gone. That particular paragraph in my motion of lack of proper provision for staffing at Waterport Power Station and any formal negotiations with the Trade Unions regarding conditions of employment or working practices came straight out of the Interim Report. That paragraph was censuring the conduct of the Government that with a Power Station already built they had not done the staffing at Waterport Power Station and they had not done any formal negotiations for the staffing of that Power Station. Not a word from the Chief Minister of what he did before April, 1982, only what he did afterwards. And why did he move with such panic between April and September, why did he see all these noble citizens who would not take the job and everything else? Because as a good politician since before 1950 he knew the damage that report would do him personally and the Government, of course, who always get elected with him. He knew and he said: "I better get a Chairman, I better get a Steering Committee going because otherwise I am going to find myself in a position with the Waterport Power Station which I want to show to the general public so that they can be proud of it but there will be nobody in it". But that is not a defence to the censure, Mr Speaker, that is the defence of the Chief Minister of his own actions once he was told by a Committee, five years after the problem arose, he was told that was wrong. He then rushed in panic, it was not the work of an orderly Government listening to him and listening to that, it was the work of a panic stricken Chief Minister. "Get on the telex, get on the telephone, tell Mr Pitaluga in London to ring so and so and so and so, because we have been told we were about to open a Power Station and we do not even know how it is going to be staffed". No defence from the Chief Minister on that, no justification of the Government position, just a defence to save his own skin. And he has the

nerve to tell me that I was only a Minister as a result of a coalition. Well, can I remind him how did he become Chief Member in 1964 under the Lansdowne Constitution? It was not because he had a majority in the House, it was as the result of a coalition with an independent. That is how he became Chief Member. And how was he Chief Member before that date? On the same basis of pacts, negotiations and dealings. I can see that as from 1972 he has become Chief Minister because he has had seven more elected with him because by then he realised that there were no more deals with anybody and he had to get the majority. Let him be careful in what he says because we also have our records. He said I know how the Government works. Of course I know and I know in particular how he works as Chief Minister because I have worked with him.

HON CHIEF MINISTER:

And I know how you work.

MR SPEAKER:

Order.

HON P J ISOLA:

And he comes along, Mr Speaker, and spends 50 minutes of his speech telling us what he did after the April, 1982, report. He does not tell us what he did before then because whatever was done before then was condemned in the report and that would not do his image any good as Chief Minister. He criticises the Opposition for not cooperating with the Committee. We wanted a report that looked into the past. Were we consulted on the terms of reference? No. Why should we cooperate, why should he decide every time what he wants and expects the Opposition to dance to his tune? That is one of the things that annoys him. The Hon Mr Bossano does dance to his tune from time to time after a deal or pact or something else that goes on behind the scenes that we do not know about. But it upsets him that the Opposition, the DPBG Opposition, does not dance to his tune. We cooperate when he is right, we are responsible in that, we have a bi-partisan approach to Foreign Affairs. In matters that are essential and vital to Gibraltar we cooperate, but we are not going to dance to his tune no matter how threatening he becomes, no matter what he says or does. We are an Opposition, we are a political party with principles and ideals that we will put forward and will continue to fight for but in this debate, Mr Speaker, in the debate of censure, we have heard no defence of the Government position. All he could tell us is: "Look to the future, the people of Gibraltar are going to have a look at the new Power Station almost as if it is going to be a tourist attraction". Well, if I was a citizen of Gibraltar I would go to the Power Station in the same way as I would have come to the debate today. I would go and see for myself how

their money has been spent and see for myself what it would have cost if that Power Station had been constructed when Preece, Cardew and Rider decided that it should be constructed. But all these things are conveniently forgotten, Mr Speaker, like the new Girls' Comprehensive School. The decision to build was made in 1972, and it opened late in September, 1982. Of course, if you are long enough in Government, of course, you can point to achievements. The new Power Station; forget the past, there it is, isn't it beautiful. But I hope, Mr Speaker, I hope the Chief Minister is right when he says: "Of course the Opposition are bringing this motion because this will be the last time they will be able to say anything about power". I hope he is right. I was hoping that the Hon Mr Bossano would have contributed to this debate and told us a little more, at some more length, as to why he has not voted in favour of Mr Edwards' salary.

HON J BOSSANO:

If the Hon Member will give way.

HON P J ISOLA:

I do not know whether I should but I will.

HON J BOSSANO:

I am trying to satisfy his curiosity, Mr Speaker. If he wants he can give way but he does not have to. I am assuming, Mr Speaker, that the Hon Member is censuring the Government and not me because sometimes it is difficult to distinguish the difference.

HON P J ISOLA:

Sometimes it is difficult to distinguish the difference between the Hon Member and the Government.

HON J BOSSANO:

That may well be so, Mr Speaker, just like sometimes it is difficult to distinguish between the Hon Member and the Government on many other issues where I disagree with both of them. It is clear to me that there are issues where I agree with the policy of the Government and there are issues where I agree with the Hon and Learned the Leader of the Opposition and the Hon and Learned Leader of the Opposition thinks that I should agree only and exclusively with him and if I did I would belong to his Party - but I do not, Mr Speaker. That is why I cannot agree with him all the time and I hope that although it may be difficult with his style of politics to be as fair to other people as he would like other people to be to him, that he will accept that I have the right to disagree with both the Government and the DPEG on occasions and to agree with one or the other on different occasions and I

also hope he will agree that I am not the elected representative of the Transport and General Workers Union in the House of Assembly which he seems constantly to forget and, therefore, the vote that I cast on any issue in this House represents the view of the Gibraltar Socialist Labour Party not of the Trade Union Movement and not of the Transport and General Workers Union and consequently if he wants an explanation as to why I voted against the expenditure of public money in bringing a Chairman for the Steering Committee from UK, there is no more sinister reason to that than there is to my voting against the expenditure of public money in the same supplementary estimates for a number of consultancies from UK. My Party does not agree with spending public money in bringing experts from UK to do things which we think we can do ourselves and where the expertise already exists in Gibraltar and it is no reflection on the attitude of the Trade Union Movement to the Steering Committee because in fact I am a member of the Steering Committee as a Union Official but I do not think I have the right to bring my professional interest in my employment into a debate which is a political debate and therefore I am not entitled, as I see it, Mr Speaker, to divulge in the House the way the Steering Committee is handling the affairs of the future of the Generating Station because I am not there as a political representative of the GSLP, I am there because I am a paid employee of the Transport and General Workers Union and I would imagine the Hon Member would think it was wrong if he as a lawyer decided to use the House of Assembly to bring out the affairs of his clients. He says: "Absolutely". Well, then he must expect me to do the same. I do not say to him when he votes on any particular piece of legislation that he is doing it to protect his clients' interests rather than to defend the policy of the DPEG. But he does it to me every time when he connects my political functions in this House with the interests of the Union Movement. The Trade Union Movement is quite capable of defending itself, Mr Speaker. It is very powerful, as the Hon Member will no doubt find out if he ever gets to Government and then he may have to revise a lot of his ideas and no doubt he will realise that the way to achieve results is by.....

HON A T LODDO:

Bending over backwards.

HON J BOSSANO:

My colleagues in the Opposition cannot seem to make up their minds, Mr Speaker, whether it is I who dances to the Chief Minister's tune which is the remark I heard when I just arrived, or the Chief Minister who dances to my tune.

HON P J ISOLA:

We suspect.

HON J BOSSANO:

What do you suspect, we both dance to your tune, is that it? That, I think, is stretching the situation.

HON P J ISOLA:

I have given way, Mr Speaker, so perhaps the Hon Member could finish.

HON J BOSSANO:

I think that has cleared the point. Mr Speaker, in fact, I have been involved in work connected with the Generating Station and that is why I have arrived late but I won't go into that because that really has nothing to do with the debate. But since I have been given this opportunity through the graciousness of the Hon and Learned Leader of the Opposition who has kindly given way to give me the chance to speak, I would say that I do not accept that industrial relations in the Generating Station are worse than they are in any other sector.

HON P J ISOLA:

I think I have given way to explain why he voted but not to make a speech.

HON J BOSSANO:

Well, I do not mind, Mr Speaker, I thought it might help the Hon Member in his winding up.

HON P J ISOLA:

The Hon Member is very clear about the rules of the House and he must realise that his public duties must surely come first and we were sitting at 3.15, Mr Speaker, and you very kindly sat there quietly for a considerable number of minutes to see if any other Hon Member wanted to speak. It is not our fault that the Hon Member cannot be here on time but I am now closing the debate.

HON J BOSSANO:

It is not my fault that no other Member has spoken either.

HON P J ISOLA:

I know it is not the Hon Member's fault.

MR SPEAKER:

Order. Let us come back to the debate.

HON P J ISOLA:

I gave way so that the Hon Member could explain why he voted against and the explanation he has given has been a lengthy one but let me tell him a couple of things on what he has said. First of all, what I said was that we in the DPEG were not prepared to dance to the Chief Minister's tune. I do not think I said anything about the Hon Member dancing to the Chief Minister's tune. It is not for us in the Opposition to make a judgement as to whether the Hon Member dances to the Chief Minister's tune or whether the Chief Minister dances to the Hon Member's tune. We do not have enough evidence, Mr Speaker, we do not have enough evidence to make a judgement on the matter. We suspect there is a bit of it on both sides, judging from the way things happen in Gibraltar but that is just a statement that we make. But as to why the Hon Member voted, and I gave way on that point, and unfortunately the Hon Member was not here when I started talking but the Hon Member when I said that should have let me go on a bit before he actually intervened. When I was saying that I said that I was not very happy that it was not the last time that we were going to bring this matter up because of the fact that the Hon Member had voted against the money. The Hon Member is I believe I think much too modest when he tells us in the House that he is just here as a member of the Gibraltar Socialist Labour Party. I do not think anybody believes it. We know he is here as a member of the Gibraltar Socialist Labour Party, we know that, but we all know the power and influence that the Hon Member wields in the Trade Union Movement. And the Hon Members opposite know that only too well and that is why they are so deferential to the Hon Member, properly so, and I like to think that we are deferential to him on proper occasions although we do not necessarily agree with him as much as the Hon Members opposite. I hope he will accept that as being genuine. We are not against the Hon Member every time he speaks, no, the trouble is that if he speaks against us of course we are against it. And when the Hon and Learned the Chief Minister said during the course of this debate that we were a right wing party and that he had heard us say that we wanted to get rid of Bossano. We do want to get rid of Mr Bossano, we want to get rid of the Chief Minister, too, and the Members opposite. What are we a political party for? We are a political party and want to win an election. The Hon and Learned the Chief Minister opposite thinks that because he was here in 1894 he must be here at the end of the century, Mr Speaker, and it may be, it may be that he will be here at the end of the century and I only hope that the state of health of his successor is good so that he can succeed him at the end of the century, I hope he will have patience in that. But, Mr Speaker, when I said trying to get rid of the Hon Member I hope the Hon Member does not interpret the Chief Minister's remarks as bumping him off, when we say we want to get rid of him we are talking in political terms, that we will defeat them electorally in an election. Perhaps I should make myself clear. The Chief Minister - I have noticed this - whenever he has no argument and no real defence, he replies with

insinuations and then he - and this he is very good at - he immediately says: "You are a Right Wing Party" - that is terrible in Gibraltar - "You are a Right Wing Party and I am Left Wing. I am the Gibraltar Labour Party", heading the most successful legal practice in Gibraltar. No, no, don't get me wrong.

HON CHIEF MINISTER:

You had better apologise for that. You have made an insinuation and if you do not I shall have to say something very serious against you.

HON P J ISOLA:

I apologise, Mr Speaker, if it is taken in a way that it was not intended.

MR SPEAKER:

Order, order.

HON P J ISOLA:

Let me explain, Mr Speaker, let me explain. The political colour of our Party is always because Peter Isola is a lawyer, Right wing. He has got lots of clients - Right wing. Bob Peliza is a businessman. Well, I was starting to say that a lot of Members on the other side are business people. Why should people be told that you are Right wing because of your profession or of your business?

HON CHIEF MINISTER:

If the Hon Member will give way. I have heard the Hon Member speak in an interview on television saying: "I am of the Conservative traditional party, I am a rightwinger". If he has forgotten that because it has suited him to change his shirt in order to be able to be near power that is a matter for him. Everybody knows he has always been a conservative, everybody knows he was not an integrationist until it was required and everybody knows he followed on Mr Xiberras on the DPEG. He has been changing his thoughts all the time.

HON P J ISOLA:

Mr Speaker, we are talking of a Right wing party as opposed to a Right wing leader. I do have conservative tendencies but you see what the Chief Minister never appreciates is that in our party we have them all but we are not a Right wing party, the Leader may be Right wing and another gentleman, and then we have Left wingers on either side.

HON A J CANEPA:

Alianza Popular.

MR SPEAKER:

Order. We will not speak across the floor. I will not have these interruptions.

HON P J ISOLA:

But that is what is done by the Government at any time. You see, right at the back of their minds, right at the back of their minds, they know what an awful mess the Generating Station has been. They know that the allegations made in the motion are true, they know it, Mr Speaker. That is why they have put no defence to the criticism of lack of planning and foresight, no defence to that because they know that the decision to buy a 5 megawatt generator, I do not know how many million pounds that cost, was made in the Lobby of the House as a result of pressure of the Opposition, by the Chief Minister on the 31st of October, 1979. How can that be the result of planning and foresight? They know that the decision to build a new station and to have 10 megawatts resulted from the power cuts that Gibraltar was subjected to immediately after the elections. They know and only they can know how much it cost the people of Gibraltar to keep that Generating Station going and power supply to the people of Gibraltar during Christmas in the run-up of the elections of 1980. They know, we do not know, but they know it because immediately after the election we had all the breakdowns again and power cuts. That is true, that is a fact. The Chief Minister laughs but those are facts. They know that they had to have two 5 megawatts engines, they know that the Chief Minister said in March in this House, March 1980, just after he had said a month before in the inauguration of the House that we would have a new generator within 18 months of that meeting, they know that there they said if it is not 18 months it will be two years and at the very most 2½ years and it has been three. They know that. Mr Speaker, if there had been planning and foresight would all these irresponsible statements have been made, statements made just to shut us up, statements made just to make the public feel that everything would be alright, do not worry, and nothing was alright. Nothing was alright. The power cuts have continued into 1982. Does the Chief Minister seriously think that if he had told the electorate in 1980: "Look here, prepare for power cuts right into 1982 because I have not done my homework and I have done no planning and I am sorry but that is how it is", does he think that he would have got back? He lost 2,000 votes. Would it have been only 2,000 if he had told the people that instead of telling them: "I have said there is going to be a Power Station and it will all be over soon. This is temporary, it could not be helped". And the Chief Minister knows that so he answered the debate by calling us a Right wing Party and telling the House what he did after

April, 1982. He could not be criticised, he ran around Gibraltar and England very fast to get a Chairman for the Steering Committee. And I go back to the point I made to the Hon Member that I was not so sure, it would be the last time we took the subject up because he had voted against the money and that to me meant perhaps that things in the Steering Committee are not going too well when the Hon Member says that. The fact that I said that does not mean that I was accusing the Hon Member of being a Trade Union member. What I meant was that the fact that such a prominent Member of this House who wields such powers certainly outside the House, that he should vote against the salary of the new Chairman of the Steering Committee did not to me seem to augur well for the negotiations that are presently carrying on. Mr Speaker, I put this question to the Government, actually I cannot put it because it is too late now but consider this position. Because the Government did not make proper arrangements for the staffing of the new Waterport Power Station and because Government did not commence any formal negotiations with the Trade Unions until they were told by an urgent interim report: "For God's sake do something about it, you are going to have your Power Station to operate without any staffing arrangements", because of that, what is it going to cost the people of Gibraltar to get that Power Station moving as soon as it is handed over? What are the concessions that management will have to make as a result of the time it has taken the Government to get the thing going? None, says the Chief Minister, none. When that Power Station is ready to be delivered and my Friend on my left says: "Well, I am sorry, unless you guarantee a, b, c, d, e I am not doing anything there". What is Government going to do? I know what they are going to do, they are going to agree and all this extra expense - perhaps that is why the Hon Member voted against the sum of £31,000 - all this extra expenses will be more and more and more public monies thrown down the drain to justify the Government's position and to enable the Chief Minister to let the public see this wonderful new Waterport Power Station which has cost them two or three times more than it should have done if there had been proper planning and the works had been executed on the right date. Mr Speaker, I have very little to answer with. As far as the Minister for Municipal Services is concerned I have to express my sympathy with him. He got up, he gave his reasons, he did not really reply to the allegations, he just gave his reasons. I thought he was quite contrite. I think he was basically saying: "I think you chaps are right but this is all I can say. We acted as best we could in the circumstances". But not the Chief Minister. The Chief Minister said: "It is my neck that is on the block here", so off he goes to tell us everything he did since April, 1982. He did not tell us anything of what he was doing before then when he was telling everybody all the wonderful plans he had for Gibraltar. Mr Speaker, the motion has not been defended by the Government. It is very significant that on such an important issue involving £7m of development funds, of public funds, that the Minister for Economic Development who is always so quick to explain everything, on this occasion has kept very, very silent. And the

Minister for Public Works who presumably is going to take delivery of the Power Station has also kept very, very silent. I think, Mr Speaker, that back there, in the Chief Minister's office, over a cup of tea, they all sat round and looked at this motion and they said: "How can we get rid of this as quickly as possible?" And they said: "How can we get past this one?" And they said: "The best thing is not to make a song and dance about it. You, Minister for Municipal Services you give a statement, have it prepared, let me see it before you deliver it", and the Chief Minister said: "I will get up and make a little bit of an attack here and a bit of an attack there. I will say what I did in April, I will tell everybody that the public are going to see the Waterport Power Station, they are going to be delighted with it, and that is it and nobody else will talk, eh, nobody else will talk. Whatever the provocation, don't talk, keep quiet". And that is what happened. We had no contribution from the Minister for Economic Development who I am sure would have had a very useful role to perform in telling us all about the building, whether the foundations were alright and things like that, and also the Minister for Public Works. But nothing. Cut it dead, let us forget it. I do not know whether the Hon Member, Mr Bossano, was approached to stay away until the debate was over. Mr Speaker, I do not know any of these things but what I do know is that I have to commiserate with my Hon Friend Mr Restano who when I heard him talking in a very powerful speech at the end, I really thought that he was convincing the Government to abstain on this motion. But, of course, the Chief Minister has been there since 1894, I have been here since 1956. Isn't it interesting, I must make that observation about the mistake that was made in 1894? It was not him so that was a mistake. So, Mr Speaker, has the Chief Minister reflected on the fact that in 1894, if my history is correct, the waters were actually up to the City walls so the poor guys who put the engines in there could not have gone much further out without dropping into the sea?

HON CHIEF MINISTER:

You are wrong, it was not there in 1894.

HON P J ISOLA:

Who was not there?

HON CHIEF MINISTER:

The water was not there.

HON P J ISOLA:

Anyway, Mr Speaker, the motion of censure is not on the 1894 group it is on the 1982 persons and, as I said, I am sorry that they won't follow the Hon Mr Restano's advice but I

think I can say that the Opposition in this motion have put forward irrefutable arguments. They have not been replied to and now I am going to do what the Chief Minister wanted to occur, that the debate should be got out of the way as quickly as possible. Mr Speaker, I commend the motion to the House.

MR SPEAKER:

Before I put the question to the House I would like to find out from Hon Members whether they are happy to vote on the motion as it stands without any division.

HON J BOSSANO:

Mr Speaker, I would like, if possible, the vote to be taken on the different items.

MR SPEAKER:

I am prepared to divide the motion into two. One which is going to be the general vote of censure which is the motion as it reads up to the figures 1976 and one the way in which it has been presented, which is the reasons particularising the censure. In this way Members will have the opportunity to vote for the general motion and for the particularised motion. I do not think I am entitled to sub-divide the reasons.

HON J BOSSANO:

Mr Speaker, the only thing I would like to say if you will permit me, is that there are statements contained here, for example, that the House has been misled and the Opposition and the public as to the true state of industrial relations which I do not think necessarily follows from the censure of the Government, the lack of planning, the lack of provision of staffing, or anything else. To me it seems a specific and separate issue with which I am in total disagreement.

MR SPEAKER:

Precisely. That might lead you to either vote for, against or abstain.

HON J BOSSANO:

Well, I support four out of the six things there.

MR SPEAKER:

I will quote from Erskine May on the question of sub-dividing motions. Here we are: "Complicated questions. The ancient rule that when a complicated question is proposed to the House,

the House may order such question to be divided, has been variously interpreted at different periods. Originally the division of such a question appears to have required an order of the House, and in 1770 a motion 'That it is the rule of this House, that a complicated question which prevents any Member from giving his free assent or dissent to any part thereof ought, if required, to be divided', is negatived on a division. As late as 1883 it was generally held that an individual Member had no right to insist upon the division of a complicated question. In 1888, however, the Speaker ruled that two propositions which were then before the House in one motion could be taken separately if any Member objected to their being taken together. Although this ruling does not appear to have been based on any previous decision, it has since remained unchallenged. A complicated question can, however, only be divided if each part is capable of standing on its own". That is why I felt that this motion is, I think, capable of being sub-divided into two and both can stand on their own but we must not go beyond that.

HON J BOSSANO:

Mr Speaker, there are two parts to which I am making reference. One is that the House, the Opposition and the public has been misled about the true state of industrial relations. The next item says that until the Committee of Enquiry Report was produced there had been a lack of adequate consultative machinery. I do not think that either of those two items either exonerates the censure of the Government's lack of planning and handling of the situation or is derived from it. To me they are a separate issue and I disagree with those two points and agree with the rest of the motion.

MR SPEAKER:

That is why by sub-dividing the motion you are being given an opportunity to vote to a general motion of censure but not to the particularised one, but we must not sub-divide the second one. I will put the first part of the question as moved by the Hon the Leader of the Opposition which reads: "That this House censures the Government of Gibraltar for the manner in which it has handled the power situation in Gibraltar since 1976". May I say that since this is most clearly a vote of censure on the Government, in compliance with the proviso to Section 44(1) of the Constitution, the ex-officio Members do not vote.

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

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

The following Hon Members voted against:

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

The following Hon Member was absent from the Chamber:

The Hon Major F J Dellipiani

There being an equality of votes for and against Mr Speaker declared the motion lost.

Mr Speaker then put the question in the terms of the second part of the motion which read as follows:

"This House censures the Government of Gibraltar in particular for:

1. Lack of planning and foresight in providing for an adequate and continuous power supply to the community,
2. Lack of proper provision for staffing of Waterport Power Station and any formal negotiation with the Trade Unions regarding conditions of employment or working practices,
3. The manner in which it has in this House misled the Opposition and the public as to the true state of industrial relations in the Generating Station,
4. The lack, until a Report of the Committee of Enquiry was submitted, of adequate consultative machinery,
5. Its failure to make public the Preece, Cardew and Rider Report and thus allow the public to appreciate more fully the power requirements for Gibraltar for the rest of this century,
6. The haphazard manner in which it has dealt with the serious power generation problems of Gibraltar for the last five years".

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

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

The following Hon Members voted against:

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

The following Hon Member abstained:

The Hon J Bossano

The following Hon Member was absent from the Chamber:

The Hon Major F J Dellipiani

The motion was accordingly defeated.

ADJOURNMENT

The Hon the Chief Minister moved the adjournment of the House sine die.

Mr Speaker put the question which was resolved in the affirmative and the House adjourned sine die.

The adjournment of the House sine die was taken at 4.25 pm on Thursday the 14th October, 1982.

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

8 December 1982

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Thirteenth Meeting of the First Session of the Fourth House of Assembly held in the Assembly Chamber on Wednesday 8th December, 1982, 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, LVO, 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 H J Zammitt - Minister for Tourism 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 Health and Housing
The Hon D Hull QC - Attorney-General
The Hon E G Montado - Acting Financial and Development Secretary
The Hon I Abecasis

OPPOSITION:

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

The Hon J Bossano

IN ATTENDANCE:

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

PRAYER

Mr Speaker recited the prayer.

OATH OF ALLEGIANCE OF NEW MEMBERS

The Hon E G Montado, Acting Financial and Development Secretary, took the Oath of Allegiance.

HON CHIEF MINISTER:

Mr Speaker, I would like to welcome perhaps the youngest ever Acting Financial Secretary that this House has had. The acting appointment is unfortunately caused due to the absence of the Hon Financial and Development Secretary, Mr Reginald Wallace, due to medical reasons regarding his wife's health.

HON P J ISOLA:

May I also welcome the Hon Mr Montado to the House and we very much look forward to his participation in these proceedings and congratulate him. I would also like to express the sympathy from this side of the House to the Financial and Development Secretary and our hopes that his wife will recover speedily.

MR SPEAKER:

I join in the words of welcome to Mr Montado. I know that Mr Montado is not new at least to the procedure of this House. I have often seen him sitting in the civil service benches, he is now sitting in the Government benches and I am sure that he will contribute to the work of the House.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Thank you.

HON CHIEF MINISTER:

I am sure Members opposite will bear with him on his baptism of fire.

MR SPEAKER:

I have no doubt that they will but if they do not I will make sure that they do not transgress the rules in so doing. May I also wish Mrs Wallace a speedy recovery.

HON CHIEF MINISTER:

The feelings will be conveyed.

CONFIRMATION OF MINUTES

The Minutes of the Meeting held on the 12th October, 1982, having been previously circulated, were taken as read and confirmed.

COMMUNICATIONS FROM THE CHAIR

MR SPEAKER:

I would like to make a statement to the House. Hon Members will recall that on the 21st December, 1981, I made a statement regarding the interference with the proceedings of the House on the 18th December, 1981, by Mr Michael Feetham, a pressman representing the newspaper "The People".

I ruled at the time that the press privileges accorded to Mr Feetham should be withdrawn and banned him from entering the precincts of the House until further notice.

In view of the letter of apology I received from Mr Feetham shortly after the incident in question and the time that has elapsed since then, I have decided to lift the ban I imposed on Mr Feetham from entering the House of Assembly and I so rule.

PAPERS LAID

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

Principal Auditor's Report on the accounts of the
Gibraltar Broadcasting Corporation for the year ended
31st March, 1982.

Ordered to lie.

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

Gibraltar Census Report - 1981.

Ordered to lie.

The Hon the Minister for Public Works laid on the table the following document:

Principal Auditor's Report on the accounts of the
Gibraltar Quarry Company Limited for the year ended
30th November, 1981.

Ordered to lie.

The Hon the Minister for Tourism and Sport laid on the table the following document:

The Post Office (Private Letter Box) (Amendment)
Regulations, 1982.

Ordered to lie.

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

- (1) The Employment Injuries Insurance (Claims and Payments) (Amendment) Regulations, 1982.
- (2) The Social Insurance (Contributions) (Amendment) Regulations, 1982.
- (3) The Social Insurance (Benefit) (Amendment) Regulations, 1982.
- (4) The Social Insurance (Overlapping Benefits) (Amendment) Regulations, 1982.
- (5) The Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment of Benefits) Order, 1982.
- (6) The Employment Injuries Insurance (Benefit) (Amendment) Regulations, 1982.
- (7) The Social Insurance (Amendment of Contributions and Benefits) Order, 1982.

Ordered to lie.

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

The Jury (Amendment) Rules, 1982.

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 1982/83).
- (2) Supplementary Estimates Improvement and Development Fund (No 3 of 1982/83).
- (3) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 9 of 1981/82).
- (4) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 3 of 1982/83).
- (5) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 4 of 1982/83).

Ordered to lie.

ANSWERS TO QUESTIONS

The House recessed at 1.05 pm.

The House resumed at 3.25 pm.

Answers to Question continued.

THE ORDER OF THE DAY

MR SPEAKER:

The Hon the Minister for Economic Development and Trade and the Hon the Minister for Public Works have given notice that they wish to make statements. I will then call on the Hon the Minister for Economic Development and Trade.

HON A J CANEPA:

Thank you, Mr Speaker. Sir, earlier in these proceedings I tabled the 1981 Census Report. The 1981 Census itself is the most important and comprehensive stock-taking of Gibraltar's population, providing a detailed demographic, manpower and housing analysis. Statistics from a census have a unique value because they cover all persons and households, and therefore long-term changes can be measured given the continuity of information from one census to another.

The Census has produced a range of statistical information, not just in the form of a count of individuals, but by way of household composition, housing conditions, levels of employment and economic activity and other social indicators. This information provides a firm factual foundation which is important for decision-making and in the planning of economic and social policies. The Report contains a very considerable amount of data and provides a factual setting for use not only by the Government but also by those in commerce and in the trade unions.

It is not my purpose in this brief statement to undertake a detailed analysis of all the data contained in the Report, but I would like to highlight certain aspects. The population increase since the last Census in those age groups which are at the pre and post-retirement age will have implications for the future provision of pensions and care for the elderly. At the other end, the figures for those under school age reveal that, barring a major shift in population density from one area to another, there should not be any significant requirement for more places in the first schools. The housing tables confirm the extent of both the overcrowding and overhousing situation in the public and private sectors, and will assist Government in its housing policies. The manpower analysis, which is the most detailed and extensive section of the report, provides an invaluable data base to examine the pattern and distribution of labour and future training needs. A specific detail which might be of interest to the House is that life expectancy for both males and females has increased from 68.6 years to 71.4 years and from 72.5 years to 75.5 years respectively.

Mr Speaker, I would like to take this opportunity to express my gratitude on behalf of the Government to Mr H A Fell, the Census Commissioner, for producing what must undoubtedly be Gibraltar's most comprehensive Census ever. I would also like to thank his staff, the enumerators and coders, the Overseas Development Administration for the computerisation of the data and the householders of Gibraltar for their excellent response.

HON P J ISOLA:

Mr Speaker, I would like to say that we have been enormously impressed with this report and all I would like to say is to add our own congratulations to the Census Commissioner and all those people who assisted in the compilation of this Report.

MR SPEAKER:

I will then call on the Hon the Minister for Public Works to make his statement.

HON M K FEATHERSTONE:

Sir, measures have been adopted in the past to reduce vehicular traffic movement in the central business area of the city for the benefit of pedestrians. Government feels the time has come to move towards a situation where certain parts of the central business area will be totally free from vehicular traffic at least during part of the day. With this object in mind an exhibition was held in May of this year which was the subject of a public participation exercise covering both the Cornwall's Parade proposals and the pedestrianisation of Main Street and its side streets. The feedback from the public has indicated an almost unanimous acceptance of the proposals presented.

However, Government has also taken into consideration the views expressed by certain persons, groups and business concerns who have indicated the particular problems to which these proposals could give rise.

Government has come to the conclusion that although the aims and proposals presented to the public last May are still the ultimate objectives, these should be applied in stages and should follow a period of experiment in order to allow reasonable time, to those who feel they might be adversely affected, gradually to adjust to the ultimate situation.

The final aim of Government is totally to pedestrianise Main Street from its junction with Engineer Lane to the junction with Library Street, together with all the side streets to the east and west of that length of Main Street.

The environmental improvements to this pedestrianised area will ultimately include decorative paving, new street-lighting, public benches, the planting of trees and plants and other features associated with townscape design. It is envisaged that such environmental improvements will lead to a wider use of open air facilities for eating and drinking which will further improve the general visual and social environment in this our central area.

The time has come, Mr Speaker, when we must move positively towards providing people, going about their business in the central area, with the experience of enjoying the quality of life, by eliminating totally, for the major part of the day, the conflict created by the motor vehicle. But as I have said we intend to tread carefully.

Rather than use the expression "to set the wheels in motion" I would prefer to say that "our first step" in the gradual process towards the ultimate pedestrianisation aims is as follows:-

As from Friday the 17th December, and for a trial period of three months, the length of Main Street between Tuckey's Lane and City Mill Lane will be totally pedestrianised between 11 am and 7.15 pm every day excepting Sundays and public holidays when the Street will be open to all traffic.

The pedestrian area will also include Bell Lane, Market Lane and Horse Barrack Lane.

Tuckey's Lane will be closed to all traffic between the hours of 11 am and 7.15 pm except for specially authorised vehicles such as taxis conveying fares to the Montarik Hotel. These will enter Main Street via Tuckey's Lane turning left and proceeding north along Main Street.

Outside the pedestrianised hours, overnight parking will be allowed in Main Street between the hours of 7.15 pm to 8 am the following day, and the delivery and collection of goods by motor vehicles will be permitted between the hours of 8 am and 11 am only.

Government feels confident that the community as a whole will welcome this experiment and it is hoped that, once we have enjoyed the advantages of total pedestrianisation, all sectors of the community will respond positively to further steps towards our ultimate aim. Thank you, Sir.

HON MAJOR R J PELIZA:

Mr Speaker, the Minister has stated the hours between which some traffic will be allowed for deliveries and so on. Has the Minister taken into account the modern household which has a number of appliances which may need repairs during other hours and will some provision be made for service engineers to be able to collect and deliver things like that?

HON M K FEATHERSTONE:

No, Sir, provision will not be made. The thinking of a Committee that was set up to study this is that once you start making provisions for one person you will find so many people can find excuses why they should also have provision that the whole thing would turn into total chaos. The whole idea is that during the hours of 11 am to 7.15 pm there will be no vehicles whatsoever except for the absolute dire emergency of the Fire Brigade or an ambulance dealing with somebody in the pedestrianised area.

MR SPEAKER:

I understand that the Hon the Attorney-General wishes to make a statement by way of explanation.

HON ATTORNEY-GENERAL:

Hon Members will recall at the last meeting that three motions relating to Social Security were approved by the House. It has come to my notice that one of them in two places had a decimal point which should not be there. It may sound a trivial matter but on this occasion I felt that it was really a point of substance rather than merely a typographical matter. The Order concerned was the Employment Injuries Insurance (Amendment of Benefits) Order, 1982, it was Clause 4, sub-clauses (b) and (c) and in each case the figure "£84.00" should be "£8,400" which when one looks at the text of the principal Ordinance it will be seen that it is clearly meant to be that way and the figure "£94.00" should be "£9,400".

MR SPEAKER:

I think it is basically a typographical error and the Hon and Learned Attorney-General is asking the leave of the House to make the relevant amendment without having to come with the Bill again. So I think leave is granted.

MOTIONS

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I have the honour to move the motion standing in my name in the Order Paper.

MR SPEAKER:

I have been asked by the Hon Financial and Development Secretary whether he would be granted the leave of the House not to have to read the motion which has been circulated which is lengthy, so it will be taken as read.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Thank you, Sir. Under the provisions of the British Nationality Act, 1981, new British Nationality Fees Regulations, 1982, have been made in the United Kingdom and will become operative on the 1st of January, 1983, when the Act itself comes into force. The main purpose of these regulations is not to increase the present level of fees but to reconcile them with the provisions of the new Act. As the Hon the Chief Minister informed this House in October this year, a fee of £5 per person for registration as a British citizen under Section 5 of the Act, will be charged to cover local administrative costs. There is provision in the law to waive this fee in cases of hardship on the recommendation

of the Director of Labour and Social Security. No fee will be charged by the United Kingdom for such registration. Additionally, revenue from fees collected in respect of applications for British dependent territories citizenship which are processed in Gibraltar, will accrue to the Gibraltar Government. Applications lodged in Gibraltar for other categories of citizenship, other than under Section 5, and for British Subject status will be processed in the United Kingdom. The fees will be collected on an agency basis only and credited to the United Kingdom Government. The only other main change which I wish to highlight is that the prescribed fee will be payable on submission of the application and not after the application has been approved as is the case at present. On a final note, I would draw the attention of the House to an inadvertent omission of the pound sign in the column headed Amount of Fees. Sir, I commend the motion to the House.

Mr Speaker proposed the question in the terms of the Hon the Financial and Development Secretary's motion.

HON P J ISOLA:

Mr Speaker, I think that the only item on which I would like to talk about is the £5 registration fee, the other fees are really not relevant, well, they are relevant, of course, but they, not surprisingly, follow predictable lines. Sir, Clause 3 of the Schedule says: "Notwithstanding the provisions of subsection (1)(a) in section 2 of this item, the fee payable in respect of the registration of a person as a British citizen under Section 5 of the Act may be remitted in cases of hardship on the recommendation of the Director of Labour and Social Security". Is it possible for the Government to consider putting a maximum amount payable by any one family because, Mr Speaker, without being in penury what is likely to happen, of course, is that whole families will register together and a married couple with four children or five children would have to pay something like £30 which I think is rather a lot. Could not some amendment be made to this so that there is a maximum fee payable in respect of a family unit, say, a maximum of £20, rather than make these families have to make a case of hardship. It seems to us that although £5 for one person does not seem to be very hard but if you have a family with young children and want to register the whole lot, it is going to be hard. Apart from that, of course, we would have liked to have seen if possible no fee at all because we would have liked to have seen people registering as of right at no cost at all. I would like to say at this stage that the British Government has been extremely generous to Gibraltar in this, in agreeing to the registration for no charge at all, having regard to the fact that people who register in England will have to pay considerable sums of money. Certainly a gesture on the part of Gibraltar to those who wish to exercise their right to be British citizens would be most acceptable on this side of the House.

HON CHIEF MINISTER:

Mr Speaker, when I answered Question 207/82 by the Hon Member about what were likely to be the costs, I stated that no charge would be made on the registration, a fee of £5 is to be charged to cover administrative costs and I said that there would be provision for remittal and this has been honoured in the Regulations. I, being responsible in my schedule of responsibilities on matters connected with Nationality will of course keep a close eye on this but it must be remembered that we are spending, as the Hon Member has said, substantial sums of money to provide the facilities and to expedite it and that I will be guided, I hope, that in cases of applications for remission by reports from the Director of Labour and Social Security, certainly in the case of big families, having regard to their total income that will be one of the matters that would be considered. Perhaps the head of family might have to be asked to pay and then the younger ones remitted, or half remitted. I can assure the House that we will try and keep the charges to be obtained from this commensurate, if at all, because they may be more expensive, of the administrative charges and I will take into account this question of package registration, so to speak, of families and I will try to take that into account. I think it is going to be very difficult if we are going to exercise a remission power, to set it out in the law. I can assure Hon Members that as far as I am concerned the remission will be done in a sensible way and any case where anybody alleges hardship, whether they are on supplementary benefits or not, I will ask for a report to be obtained if there is an application for a remission. I only have one point to make that has obviously not been picked up by the Opposition but which concerns me a lot and you will see that the Financial and Development Secretary in his statement said that the only difference in the fees are that now the fees on naturalisation have to be paid on application made. I was very concerned on the grounds that the money should be paid before, I was very concerned because this was copied from the British Nationality Rules lest people might be frightened of making an application of putting £200 into it and then find that the application was not granted and that they must lose the £200. We were going to carry out an amendment to the Rules to make sure that that was not the case but I do not think it is necessary. There was a very long debate in the House of Commons when these regulations were brought in because Mr Hattersley, the shadow Home Secretary, had made a lot about the question of the fee of £200 particularly in England making it prohibitive for some people to apply for naturalisation but that was already the rule. In respect of payment, Mr Raison the Minister, said in the course of the debate: "Hon Members will be aware that an unsuccessful applicant has the fee refunded". So there is no question about the fact that because you have to make payment on application that if you are not successful you won't get the money. In fact, there was some reference even in the debate as to whether the Government should pay interest on the money whilst the money was deposited.

The new feature of the rule is that whereas now you make an application and if it is accepted you pay the \$200, as from now, when these regulations come in, you have to put in with your application \$200. If the application is accepted that is the fee, if the application is not accepted then the money will be refunded.

HON MAJOR R J PELIZA:

Mr Speaker, I would like to support the views expressed by my Hon Friend the Leader of the Opposition in that it seems to me somewhat unfair that United Kingdom citizens as we are now, should have to pay for the continuation of holding that same international status which is in fact the situation. What we are being asked now is to register for something which we are already and in the process we are going to be asked to pay on top of that. The one who is going to change his status is the one who will cease to be a United Kingdom citizen which is the equivalent today by the contraction of that citizenship to the United Kingdom and to other places like Gibraltar and the Falkland Islands who apparently are going to have it when the present Bill is read for a second time, and I would have thought that in principle it is wrong that people should be asked when retaining their present international status, to pay for it. In fact, this is what our own battle for citizenship was based on, on the fact that we wanted to retain our present status because this is what was being taken away from us and in fact I remember the Chief Minister himself arguing once upon a time when we were asking for full citizenship, when he used to say that legally we have exactly the same citizenship as the people in the United Kingdom but the difference was that we were obstructed from entering Britain so I am sure that now he will recall this argument and the argument that applied then applies equally today and I think it is monstrous that people who hold the citizenship, those who want to keep it, now have to pay \$5. I would have thought, that from the financial aspect the amount is insignificant in that this is going to be really a once and for all operation. I think when most people register because those who are going to register in my view will do it when they have the first opportunity, and those who won't will be a trickle as time goes by, I do not foresee the need to keep a big office going all the time purely and simply to register for United Kingdom citizenship when surely the bulk, I would have thought, would do so very quickly. In fact, I think the provisions are, if I remember rightly, that the place was going to be used for a number of weeks or months, I do not know how long, but I hope we are not going to keep a huge organisation for registration of citizenship which obviously will come to an end fairly quickly and then after that we will only have a trickle. Since basically this is going to be a once and for all expense and the amount, 10,000 people registering I suppose, if the cost of doing that I hope it is not going to cost more than that, is going to be \$10,000 or even \$50,000, I would have thought it more than fair that because in principle it is wrong to have to make an individual case for retaining his

present citizenship, I think it would be wrong, in principle, let alone I think in practice, that this should be so. But if it came to the end where the Government could not agree with his proposition, I hope they do, if they could not agree with this proposition and in fact may I say so, the fact that Her Majesty's Government is not doing it

HON CHIEF MINISTER:

If the Hon Member will give way I may try to help him. First of all, when I answered his question on the 12th October no objection was raised to that and in fact the Hon Member was very pleased that the figure of \$5 had been mentioned and that it had been kept low. I said in my answer that I was making provision for hardship but let it be made quite clear that in my view, I haven't got it in writing but this is the way that things have developed, in my view the reason why the British Government have not charged a fee as they charge for every other registration is because we are going to take charge of processing the papers and had they been processing the papers then they would have charged a much higher fee because all the fees in the Nationality Act are much higher than \$5 and that is why the burden was put on us and we have to provide the logistics for doing it and that is why they have remitted that and left the work to us. That is why we are charging a nominal fee and I have said, and I will say so again, that I will look at this with all compassion and regard to the question but we must have a fee because otherwise we are going to set up a timing, we do not know whether it is going to be a year or not. Let it be remembered that the Gibraltarian Status Ordinance was passed 20 years ago and people are still registering as Gibraltarians who have a right to register and have not registered. In any case every time there is a birth there will be a registration so there will have to be a set-up to carry on dealing with this ad eternum and it is not the same status, it is a result of our efforts, or the efforts of everyone in this matter, that has given us the right to register which has been denied to other people and only recently given to the Falkland Islands. There is a change and we have been given this privilege and all we are trying to get is part of the administrative charges and no more. I say that this is really quite reasonable, nowadays on any kind of registration any fee under the Ordinance is much higher.

HON MAJOR R J PELIZA:

I think particularly if the Treasury has a hand in it there is always a case for making charges, of course there is, but one has to look at it in the merits of whether it is justified, based on the principle of what we are charging. I hope the Minister for Economic Development is not afraid that I may convince the Government if I carry on. Perhaps the arguments are very strong and I think that if he himself were to give careful thought to this I think he will see that there is I think some merit in what I am saying. I think it is all very

well for people who have money and perhaps can give it away and that's it. But £5 is quite considerable to the working man today and particularly as my Hon Friend said, if that working man has got a family, the wife is not working, they obviously do not want to go through a means test to see that the children do not have to pay the £5, they do not want to go round begging for what after all is theirs, all they are saying is I am keeping my citizenship - ah, well, if you want to keep it you have got to pay £5. I think in principle it is very wrong.

HON CHIEF MINISTER:

Why didn't the Hon Member say so in October when I answered the question?

HON MAJOR R J PELIZA:

Because I am sure the Speaker would have said that we are not going to debate the issue.

HON CHIEF MINISTER:

It was accepted.

HON MAJOR R J PELIZA:

Of course not, Mr Speaker, we are not going to carry on questioning and questioning and then eventually have the Chief Minister standing up and saying: "I am not going to answer any more". Therefore, Mr Speaker, you will have noticed that I myself hardly ever stand up to ask questions and this is the reason why I do not do it. And now the Chief Minister has said: "Why don't you ask more questions?"

HON CHIEF MINISTER:

No, I did not say that. If the Hon Member will give way. He gets terribly excited. I gave an answer, it was accepted as good and there was no indication until this moment because it occurred to somebody to make such a fuss about it. We had plenty of time for representation, plenty of time to have risen to say: "I have changed my mind, when you answered that question I thought it was right it should be different", and now make all this fuss. This is instant Government.

HON MAJOR R J PELIZA:

This is not instant Government, this is the procedure in the House when matters are brought here, and this is the reason why you allowed me to speak today, Mr Speaker, is when this House is entitled to discuss. Even if at that time I had thought of it and did not want to or wanted to and did not, there is always plenty of time to reflect on this matter. If the Chief Minister in answer to a question says: "I am going to charge £5", that is what he wants, instant reaction, yes or no. But this is not possible precisely because we do not want

instant Government, we want to think about it and now is the time, when the proposal is made to the House, that one ought to think about it and one has got to debate. I hope, Mr Speaker, that the Chief Minister comes here with an open mind to listen to what the Opposition has got to say. There is nothing wrong, as I see it, that in the light of what is said here today in fact I would think highly of him if he thought: "Well, yes, there is a case, I will give it more consideration, there is a case which I did not realise at the time but I do now and I think that I should say there is a case for doing away with any charge for registration". This is the point I am making. This is not making a political debating point or anything like that. I think it is a very serious matter of principle and in the end they are going to say: "To retain my citizenship I have had to pay £5". I think that, Mr Speaker, is a very shameful situation to be in and I do hope that the Chief Minister will give it careful thought and do away with those £5. The cost to the Government is insignificant, the value of our citizenship is very high, much more than £5.

HON A J HAYNES:

Mr Speaker, I am sorry that the Chief Minister has been caught in bad light and that he wanted prior warning of what we are going to say but I would say the Hon Member and my colleague have informed Government of our views on this matter. In answer to a question earlier on today, we were told that in the event where somebody has a passport which has a number of years to run, that he will nevertheless be required to pay his £5 if he seeks to register as a British Subject. We for our part think that that is another case of hardship especially when the passport has been recently acquired, is valid for another 6 or 7 years or more and nevertheless the individual will be required to make this payment for registration. In that respect we have given the Chief Minister notice that that is a case where we would like automatically no charge being applicable and it is in this particular point, Mr Speaker, it was of interest to me to note that the Chief Minister's reply said that it would be possible to incorporate the registration in the existing passport. And this brings me to the question on the format for the new passport and to its length of validity, the wording it will have on the cover and any endorsements it will have included inside. I wonder whether it will have the words "Colony of Gibraltar" on the front page, whether it will be endorsed for European Economic Community purposes because we are aware, Mr Speaker, of the problems which a number of Gibraltarians visiting the United Kingdom have encountered whereby they are not as well attended by the Customs officials in the United Kingdom as one would have hoped and in fact in many instances they have not been recognised as European Community subjects, and it is something therefore that we would ask to be included in the passport, the endorsement of for European Community purposes to make it absolutely clear that the passport holder is not only a fully accredited British Subject but also a member of the European Community and it is in this respect, Mr Speaker, if it is possible for somebody who already has a passport to merely have that passport endorsed, is there any particular reason.....

HON CHIEF MINISTER:

If the Hon Member will give way. I think he has got it wrong. Of course it will be endorsed after registration.

HON A J HAYNES:

I am not sure I understood, of course it will be endorsed after registration.

MR SPEAKER:

One has to register first under the British Nationality Act, and then your passport will be endorsed. You will get a certificate apart from the passport.

HON A J HAYNES:

Does that mean that one will use the same passport and just have a stamp on it or a bit of paper in it or not?

MR SPEAKER:

You will get a certificate that will entitle you to have the endorsement on the passport. This is what I have gathered from what I have heard in the House.

HON A J HAYNES:

For £5 you will get a rubber stamp on your passport.

MR SPEAKER:

For £5 you will get a certificate which will entitle your passport to be endorsed.

HON A J CANEPA:

Mr Speaker, is that relevant to the motion before the House?

MR SPEAKER:

It is relevant to the extent that a fee is being raised.

HON CHIEF MINISTER:

It was in answer to another question that we imagine that valid passports of Gibraltar, of people who have registered or gone through this registration, will have the Gibraltar passport endorsed but you have to register first.

MR SPEAKER:

Precisely, in other words, the fee which is being charged is for the registration and to that extent it is relevant.

HON A J HAYNES:

Well, it seems obvious to me that someone who wishes to be registered has to make the application to be registered as a British Subject. Whether or not that person has a valid passport is irrelevant, he will register on the basis of his being a Gibraltarian, he will be considered and it will be as of right as I understand it. Now, my point is.....

MR SPEAKER:

What will be as of right because we are talking at cross purposes?

HON A J HAYNES:

That he will be registered as a British Subject.

MR SPEAKER:

That will be as of right but the endorsement will not be as of right unless you register before.

HON A J HAYNES:

I am sorry, Mr Speaker, that is my point. Is the Government, when they are talking about a fee of £5, going to do more than give you a slip of paper or does it include a passport?

HON CHIEF MINISTER:

It is like a registration of British naturalisation. You get a certificate that you have been registered under Section 5 as a full British Citizen. Then when you want your passport you can have it endorsed in the Gibraltar passport or you can ask Britain to give you a passport direct with that registration. One is in consequence of the other.

MR SPEAKER:

Precisely.

HON A J HAYNES:

I have my certificate which says I am a registered British Subject. I also have a valid passport issued in Gibraltar. I do not need therefore any endorsement in the passport or do I? If I want to retain my Gibraltar passport because it still has

7 years to run and I have a registration certificate from the British Government, so I need to take both together to show that I am both a Gibraltarian and a British Subject or will it be possible on the strength of my registration certificate to have some sort of stamp included in my passport which denotes that I am a person who has applied and his application has been successful? I understood from the answer to the question by the Chief Minister that the format of the new passport and the endorsement were not incompatible and that the new passport is so similar to the present one that it would be possible to have the registration successful which has to be made and thereafter have an endorsement put inside the passport. If that is the position, Mr Speaker, what is the format therefore of the new passport, that is my concern at the moment, to establish this point. I would be grateful, Mr Speaker, if the Chief Minister would intervene in this debate.

MR SPEAKER:

The Chief Minister cannot do anything because he has already had his contribution. Perhaps the Mover of the motion when he exercises his right to reply, will be able to give you some information but anyway this is a debate and therefore you are entitled to ask what you wish, you may be getting a reply at a later stage.

HON A J HAYNES:

Well, Mr Speaker, the information I require which is what I said in the commencement of my intervention is for information regarding the wording and the frontpiece of the new passport.

HON CHIEF MINISTER:

On a point of order, Mr Speaker, I do not think that that arises out of the motion regarding the registration of British Subjects.

MR SPEAKER:

The Hon and Learned Mr Haynes has had his say on the motion, whether in reply you wish to reply on that matter or whether any other Member wishes to reply is another matter. If there are no other contributors I will now call on the Mover to reply if he so wishes.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There is nothing I would like to add, Mr Speaker.

HON MAJOR R J PELIZA:

Mr Speaker, I do not know how we are voting but I cannot vote in favour of \$5 registration fee. It is really against my conscience and I could not do it.

HON A J HAYNES:

I shall join the Hon and Gallant Major Peliza.

MR SPEAKER:

You are free to do so. We will take a vote.

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 J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon E G Montado

The following Hon Members voted against:

The Hon A J Haynes
The Hon Major R J Peliza
The Hon W T Scott

The following Hon Members abstained:

The Hon P J Isola
The Hon A T Loddio
The Hon G T Restano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon J Bossano

The motion was accordingly passed.

The House recessed at 5.30 pm.

The House resumed at 5.55 pm.

BILLS

FIRST AND SECOND READINGS

THE IMMIGRATION CONTROL (AMENDMENT) ORDINANCE, 1982

HON CHIEF MINISTER:

Sir, I beg to move that a Bill for an Ordinance to amend the Immigration Control Ordinance (Chapter 74) 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 crave leave to refer to papers because this is a very involved matter and I want to get it straight. I have the honour to move that the Bill be read a second time. The British Nationality Act, 1981, which comes into force on the 1st January, 1983, contains important provisions affecting the people of Gibraltar. The Act gives those Gibraltarians who are United Kingdom nationals for the purposes of the European Community the right to register as British Citizens under Section 5. The Act also creates a class of citizenship known as British Dependent Territories Citizenship and although that class applies to the peoples of the dependent territories as a whole, rather than the individual territories, it is a concept that is important for each of those territories because it is directly concerned with their status as such. Also, although it is a citizenship that is defined in general terms, the separation of that category of citizenship from the United Kingdom citizenship clearly brings it closer to a category that relates specifically to each territory. Following on Section 5 of the Act, Her Majesty's Government has reviewed the declaration deposited with the Community and defining who is a United Kingdom national for Community purposes. A revised declaration has now been deposited with the Community. May I remind Hon Members what the declaration was which made the people of Gibraltar Community Nationals in the Treaty of Accession. The wording amongst others was: "Persons who are citizens of the United Kingdom and Colonies by birth or by registration or naturalisation in Gibraltar or whose father was so born, registered or naturalised", that is the 1973 Accession Treaty. As far as the present one is concerned we now have a different definition which is a much wider definition which says: "British Dependent Territories Citizens who acquire the citizenship from a connection with Gibraltar". I will elaborate a little more on that because it is rather important. This revised declaration has now been deposited with the Community. So far as Gibraltar is concerned it provides, in effect, that everyone who derives British Dependent Territory citizenship through a connection with Gibraltar will have Community national status. For us this will be a more comprehensive declaration than previously was the case. I commend the difference between the particular to the general. The new Act does not abrogate the status of Gibraltarians as nationals for whom the United Kingdom remains responsible in international law. Moreover, the status of British Dependent Territories citizens can be held concurrently with British citizenship under Section 5 of the Act. One of the main rights of a citizen is that of being able to enter freely and reside in the country or territory of which he holds his citizenship. It is important that we should in Gibraltar reinforce the standing of and discharge our responsibilities to persons who

have British Dependent Territories citizenship through a connection with Gibraltar by providing that they should have the absolute right to enter and reside in Gibraltar. As I have mentioned already, all such persons will have Community national status and the right of registration under Section 5 of the Act and by giving them residential rights here we are for our part carrying out into fuller effect the totality of the rights understanding. The Bill before the House is intended to achieve this object. It is an important measure that will require careful study. The nub of the matter is to determine what is a connection before the connection was defined in that it was by birth, by registration, by naturalisation or whose father was so born, registered or naturalised. Now it is much looser from a connection with Gibraltar; it is a very much wider thing. Therefore we should reinforce the standing and discharge our responsibilities to persons who have British Dependent Territories citizenship through a connection with Gibraltar by providing that they should have absolute right to enter and reside in Gibraltar. As I have already mentioned, all such persons will have Community national status and the right to registration under Section 5, and by giving them residential rights here we are for our part carrying out the fuller effect of the rights of standing. The Bill is intended to achieve this object. It is an important measure and we will need to consider this matter in the Second Reading today and we will not rush through this Bill in this meeting, we will do the Committee Stage at a subsequent meeting. The Attorney-General has had a number of conferences and talks with people in the Home Office dealing with this matter and I think it is fair that I should say that we have found them most helpful in their approach to this matter and in the way in which we should carry out our responsibilities and also on the question of the arrangements for the registration. We must distinguish between those persons who are British Dependent Territories citizens because they belong to other territories and those who belong to Gibraltar. I do not think we would envisage giving the right to residence in Gibraltar to 2½ million dependent territories citizens of Hong Kong. We also consider that the criteria by which we define a connection should be compatible with the principles laid down in Part 2 of the Act and to that we also gave an undertaking at the time to some of the Peers who were worried that if we got through the proposed amendment that was put in the House of Lords, we were going to give dependent territories citizenship galore and they could then through Gibraltar get into Section 5 and into England. We gave an absolute undertaking that that was never our intention. The statutes dealing with nationality in the United Kingdom and its territories must be connected and as such it will be widely taken into account of international law and the standing of our definition should be correspondingly greater. Under Part 2 of the new Act citizenship continues to be acquired broadly by birth, descent, registration or naturalisation. These are themselves simply general heads under which a person may qualify. There are further criteria that have to be met under the particular Sections in Part 2. For example, birth alone is not a sufficient qualification any more as from the 1st January, 1983. One has to be born, for example, to a British Dependent Territory citizen or to a

parent who is settled in a dependent territory. Settled means living in a territory without being subject to immigration restriction. Other criteria which are relevant under specific sections are the fact that a parent, grandparent or spouse is himself or herself a citizen and in some instances residence in or an appropriate qualifying connection with the territory. This latter term is defined in the Act itself. In principle, the Bill provides that one must be able to meet this criteria under the particular section which is relied on not in relation to the dependent territory at large but specifically in relation to Gibraltar. For example, where a person relies on his birth in a dependent territory coupled with the fact that one of his parents is a British dependent territory citizen, he will have to show that he was born in Gibraltar and that his parent, himself or herself, is a citizen by reason of a connection with Gibraltar. Perhaps I should stress here that this is only one of the provisions under which birth is a qualifying factor, there are others relating to descent. In these cases there must be a connection with Gibraltar through the parent or in some cases the grandparent. The Bill further provides that where citizenship is acquired by registration or naturalisation, that must have been done in Gibraltar, that is the same as it is now. The details of the Bill will require very careful consideration at length and as I said before it is not intended to take the Committee Stage at this meeting but to allow time to consider it, but finally in putting the matter in a concise term, because people who are going to be citizens of the dependent territory of Gibraltar must have the right to reside here as against those who were entitled to a permit of permanent residence, we have to define those who have a right to reside here and that will qualify them as a citizen for Community purposes and therefore a citizen under Section 5. I hope I have made myself clear and I will be happy in the course of the debate to clear up any matters that may arise. The matter is somewhat complicated and I have to adhere strictly to the brief.

MR SPEAKER:

Does any Hon Member wish to speak on the general principles and merits of the Bill?

HON MAJOR R J PELIZA:

Yes, Mr Speaker, I totally agree with the Chief Minister that this is a highly complicated matter, citizenship always is I think, and will probably carry on being so until we all are international citizens there is no question of any form of barrier anywhere and I do not think that will ever happen in the foreseeable or not even in the far future, I think there will always be this demarcation for one reason or another, social, economic and so on physically so because one has to control the number of people in an area and so on and so forth. But I think one does agree in the basic things that the Chief Minister has said as to how this is going to be done without going into the details of the legal phraseology and implications that they may have at the moment. I think that the Chief

Minister is wise in allowing this Bill not to be taken through all its stages now and giving time for people to reflect and perhaps find the odd flaw here and there that would be defeating the object which it is meant to achieve. I think, in principle, we agree with everything that the Chief Minister has said but my only concern is - and this was agreed earlier - that there is of course the Gibraltarian who has the right to register, a decision that he has got to make, not now or in the future, he has always got time. I do not believe there is a time limit as to when a Gibraltarian will have to register. But whether there is a time limit or there is not, and perhaps because there is a time limit and what the implications of citizenship is going to be in 10 years' time may have been forgotten, there should be a leaflet printed which clearly states the situation for an individual who decides to register and for that one who decides that he will not register at least for the moment so that at any point in time an individual who wants to find out what changes would take place if he decided to register, has an opportunity of doing so by looking at the leaflet which clearly sets out the implications. As I see it, the fact that one registers for British citizenship in no way derogates his Gibraltarian status. In other words, he is acquiring more rights, not losing any rights and I think this has got to be explained because I have heard already that people who register are almost going to cease being Gibraltarians and I think that this is a very mistaken notion which in my view should be put right. At the moment I think people who are really interested will enquire and everybody more or less knows but as time goes by and we leave this question behind there will be many people who will say: "Should I register and what happens to me if I do register?" Who does he call on to find out? Is it the Passport Office, the chap at the registry, consult a lawyer, he goes around and gets opinions? I think that this is so important that it should be laid down on a leaflet clearly set out in language that the layman can understand, not in the rather complicated legal phraseology which sometimes even legal brains cannot interpret. I think that the Bill is welcome, in fact, it is necessary because as the Chief Minister said, Gibraltar is not going to be the back door for people to get into Britain. This is just not right and this was not meant when we were given the privilege of continuing to keep our citizenship as against all the other dependent territories. I think that whilst one welcomes the Bill at the same time I think it is important that a leaflet should be produced which clearly sets out the position for Gibraltarians.

HON A J HAYNES:

The first point I would like to make is that I am not clear on the terminology having any connection with Gibraltar. This features twice in the Bill in Clause 2(2)(b) and 2(2)(1). I am not sure whether this is the most appropriate way of phrasing. I would like clarification and furthermore, Mr Speaker, I would also like to know if there is a drafting precedence for such a phrase. It seems either to be superfluous or ambiguous, I am not sure which. I refer to the phrase "having a connection with Gibraltar". I am not sure whether that is the precedence.

Another point, Mr Speaker, I note in Clause 2(2)(y) where the citizenship at any time of the spouse is a material qualification. In most of our Ordinances, Mr Speaker, we are discriminating against men rather than women so that under Gibraltar status it is possible for the wife of a Gibraltarian to obtain Gibraltarian status and it is rather like the camel passing through the eye of a needle for the husband of a Gibraltarian woman to obtain Gibraltarian status and that, Mr Speaker, is a discriminatory aspect which to an extent is reflected in our present Immigration Control Ordinance insofar as it refers to the spouse of a Gibraltarian woman under Sections 13 and 14 of the Ordinance and it appears that the proposed amendment is in fact doing away with the more precise terminology of husbands. And if that is the case, Mr Speaker, is there an amendment forthcoming in the Gibraltarian status whereby the husband of a Gibraltarian woman will be automatically entitled to Gibraltarian status and whether an amendment is going to be made to this discriminatory aspect of our law in relation to Gibraltarian status. That, Mr Speaker, is all I have to say at this stage.

HON J BOSSANO:

Mr Speaker, I take it that the question of Immigration Control is not a matter over which in fact the elected Government has control, am I right in thinking that, and that in fact it is the British Government our Constitution that has responsibility in this area? If that is the case to what extent are we free to determine the criteria that we chose to apply in Gibraltar? That is what I would like to know on the general principles of the Bill. On the question of the application of the criteria set out for eligibility to citizenship of dependent territories status in connection with Gibraltar, are we saying that people other than the straightforward case of a Gibraltarian born of Gibraltarian parents, would other people be treated in the same way as they would be treated if they were applying in the United Kingdom under the British Nationality Act in the United Kingdom or do we have differences of rules in the case of Gibraltar from the ones they apply there? I am thinking under the United Kingdom British Nationality Act, the right of somebody to apply under that Act if they are not English born and bred, shall we say, but who are immigrants that have settled in the United Kingdom. Are we applying the same in Gibraltar or do we have a different set of criteria under which we decide what the criteria should be in our case? I also think that it would be useful if in fact the actual UK legislation was available because I certainly haven't got a copy of it and I am not entirely familiar with this, between now and the time that we have to decide because if we are making reference to sections in the principal Ordinance which is not a local Ordinance then I think we ought to know what we are referring to, at least I would like to know. Also I think it would also be useful to if in fact in the United Kingdom any explanatory leaflet or anything of that nature has been issued by the Home Office for the guidance of people in UK, it would be a useful thing to have that available to look at before we come to the Committee Stage and Third Reading of the Bill.

MR SPEAKER:

Are there any other contributors?

HON ATTORNEY-GENERAL:

I would like, if I may, to cover some of the points that have been raised. I hardly need to say that this is an important matter not merely of law but which could be construed as political matters but it is not my intention at all, I think there is a technical level by which this could be discussed and I would like to speak, of course, at that level. I think there is no doubt at all that the British Nationality Act, even though it is a municipal act, will in fact shake British thinking on nationality for the future because it is the major measure by which the concepts of nationality are defined. I will leave aside Section 5 for the moment and concentrate on, if you like, the class of citizenship that most immediately affects Gibraltar, namely, the class of Part 2 citizenship. I think the important thing about that is that it is a general citizenship, a citizenship of all territories that come under that category and so what this Bill is going, as the Chief Minister has said, and if I may reiterate, is proposing to find a way of saying even though the citizenship is expressed in general terms, what are the essential characteristics that prove that a person has a connection with Gibraltar, in other words, the exercises that define what is a real connection with Gibraltar so that a person may be described as a Gibraltarian belong, that is what it comes down to, and if I may outline the approach that I have recommended and that is reflected in the Bill, the British Nationality Act lays down both in relation to British citizenship and also in relation to BDTC, it is quite a mouthfull to say it, various criteria which qualify one for eligibility, whether be it by registration, by birth or naturalisation. Taking the general proposition the Bill tries to make that more concrete, more specific in relation to Gibraltar so instead of saying birth in the independent territories, we say in the Bill birth in an independent territory, namely, Gibraltar itself. The point I am trying to make is that the criteria which are being used are criteria which as nearly as possible are ones which are already recognised in the Act. The technical merit I see in that is that as I said before the British Act will in my belief shake nationality thinking in Britain and that is going to have a certain recognition in international law because Britain has a major power and the nearer the criteria in this match, that the stronger I believe the definition of the connection to Gibraltar will be, so speaking in very general terms that is one of the things that the Bill tries to achieve. Another point I would like to make is this, that I think that when one is saying who has a connection with Gibraltar it is much more important to approach it by saying this, this and this positively give you a connection rather than having a negative definition by excluding. I believe myself in the longer term that is the more creative and constructive approach. So again even though it means going into the matter

at some length in defining what is the connection, I have used what I can think can be called the positive approach, that you must make this, you must make this, you must make this, and then if you have them you have your connection. The immediate concern, as I see it, of defining adequately and acceptably in Gibraltar what amounts to a connection with Gibraltar is, of course, to grant one of the most common attributes of citizenship, the right of residence in Gibraltar, and that essentially is the purpose under Part 2 of the Act which deals with British dependent territory citizenship. But in Gibraltar's particular case, as the Hon and Learned the Chief Minister has already pointed out, two other very important consequences will flow. The first is that it will decide who is entitled to registration under Section 5 as a British citizen for those who want it and the Chief Minister has already made the point that you can hold both statuses at once. Secondly, going on from that, it will also decide who is a United Kingdom national for Community purposes and I believe and I think the Minister is agreed on this, that those three aspects of the matter really are the totality of a Gibraltarian's right, I won't say they are the complete totality but they are three very important elements to be taken into account. I did say that the Bill will determine that, I would like to come to the point raised by the Hon Mr Bossano. The Bill is a Bill within Gibraltar. It is true that it is a matter which is a non-defined matter but as I see it and to the extent that I have an interest in constitutional law, I do not think that means that it is not something that the Gibraltar Government is going to act on and I think it may well be that the British Government has views but that is not to say that in Gibraltar one cannot take the initiative and put forward what should be the connection, what would be the factors that qualify one has having a connection. Strictly speaking in law I think the British Act is one thing and the Gibraltar Ordinance is another but it is significant to my mind that the British declaration simply says "a connection with Gibraltar" and doesn't go into any more particular detail and I am quite sure that in practice what is taken to be a connection with Gibraltar for the purposes of the British Nationality Act and also for the purposes of the Community will be what the Immigration Control Ordinance lays down as a connection. I am quite sure that in fact and in practice that will come to be the case. The Bill is very detailed, I appreciate that and I am not sure which other countries have yet had occasion to tackle it. I think the details merit very careful study and I think it would be very helpful, if I may say so, to have any comments. Another general point of approach is that in defining the various criteria I have tended to define them more tightly rather than more loosely and it may be that Members will feel that in this area one could be more relaxed but, for example, if Members would like to consider new sub-section 2, paragraph (f) and paragraph (g), as the Bill stands where you get nationality by registration or citizenship by registration or where you get it by naturalisation, you won't have a connection with Gibraltar unless you actually were registered or naturalised in Gibraltar. In one sense that follows the existing declaration which the Chief Minister has referred to.

It may be that on thinking about that Members might come to the view they want it slightly more relaxed. Another matter which at this stage I have defined tightly rather than less tightly is under paragraph 2(d). There is a reference to Crown Service in a dependent territory being a material qualification, if I can explain that a little more fully. That refers to one of the provisions in the Act relating to citizenship by descent where a person who belongs to a place may go and work overseas, have a child while he is overseas, and the part of the Act that this is referring to is intended to make sure that that child does not lose his rights vis-à-vis the country that his parents come from. One of the categories that is protected under the Act is the category of working in Crown Service overseas. As I have crafted it what it says is that you have this avenue open to you secure, your citizenship by descent, if your father or possibly your mother is working overseas in the service of the Gibraltar Government. It may be that on further thought, one would not see any objections to widening more fully but I have taken the cautious approach at this stage rather than a more liberal approach, I will not say liberal, but a wider approach. If I can refer to the points raised by my Hon and Learned Friend, Mr Haynes, I think he referred to sub-section 2(b) and sub-section 2(i) and he queried the term "having a connection with Gibraltar". Before I comment on those two paragraphs in particular this Bill of course is about defining what is meant by the term "having a connection with Gibraltar". In those two particular provisions, one of the qualifying requirements was not only that you yourself meet certain conditions but that your own parents are already citizens having a connection with Gibraltar. That is the only significance of the references but the whole Bill is concerned to say what is meant by a connection. I take the point made by the Hon Mr Bossano that really one has also to look at the British Nationality Act. It is possible to provide copies. If he thinks I am being unhelpful I must say myself I would not like to get into the exercise of providing large numbers of copies.

HON CHIEF MINISTER:

I will cause copies to be made available to Members.

HON ATTORNEY-GENERAL:

The one other point I wanted to refer to was that there was a query as to could this mean that Gibraltar was taking on obligations wider, or perhaps the point was similar to obligations which may be taken on in Britain in relation to people who are not what one might call native born Britons and, as I said before, the various criteria I have spelt out are criteria drawn from the scheme of the British Nationality Act and therefore there is a similarity but on the point which I think is the one which is really of concern, unless you already have a connection in the sense that you would all understand and that is belonging to the territory, or unless you go through the naturalisation process, the one situation

in which that can happen, I think, and that is the principle of the British Nationality Bill, is that if you yourself happen to be born in a particular place and one of your parents has settled there and as the Chief Minister mentioned settled means living in a place without being subject to any restrictions and to immigration control. The answer, in short, is this; that if somebody is in Gibraltar and is entitled to permanent residence in Gibraltar and has a child, the child could qualify both under British Nationality Law and under the definitions proposed in this Bill, as a person having a connection. I know it is a very complicated matter and I feel I have been rather complicated in explaining it, from a technical point of view I think it is very important, if I may say so, that everybody should have the opportunity to look at it in detail and by reference to the British Nationality Act itself.

HON J BOSSANO:

I think if I can use an example to illustrate the point that I was trying to make that I wanted an indication from him. If we take the example that he has given as regards Crown Service under the Government of a dependent territory. As I understand it what we are saying here is that a British Dependent Territory citizen would be considered to have a connection with Gibraltar if in fact where one of this criteria is to be found in the UK Nationality Bill for the purpose of identifying somebody as a British Dependent Territory citizen the place which identified him was Gibraltar, so that in the case, for example, of this if we are talking about somebody from, say, Hong Kong working overseas for the Hong Kong Government, he would retain his citizenship and his descendants would retain citizenship because he was in the service of the Hong Kong Government overseas. In our case it would have to be somebody working overseas for the Gibraltar Government. By analogy with that, the point that I was trying to have elucidated, Mr Speaker, is if we take sub-clause (h) where it says: "where residence in a dependent territory is a material qualification that dependent territory is Gibraltar". By analogy that would tell me that if there was something that said after so many years residence in a dependent territory you become a British Dependent Territory citizen of the territory of which you have been resident, and in our case we are saying we apply that in our case if that territory is Gibraltar but it does not tell us what the residential qualification is all that we know is that we would only accept the validity of a residential qualification as showing a connection with Gibraltar if the residence has been in Gibraltar as opposed to any other dependent territory. If it says here where residence is a material qualification, I would want to know when is residence a material qualification.

HON ATTORNEY-GENERAL:

I am grateful to the Hon Member. This really underlines the point which he himself took that it is important to look at the British Nationality Act. It would not be possible, of course, to reproduce the whole of the relevant provisions of the Act here, it would not be necessary, but it is essential to look at the British Nationality Act and see what these particular provisions are referring to. Can I emphasise one point? These rules are material qualifications but they are not necessarily explicit so that I would not like it to be thought, in fact, Members will see this for themselves, but I would not like it to be thought because this happens to say "residence in a dependent territory is a material qualification", that that means that all you have to do is reside in a territory, because when you look at the context in which that is material there are other qualifications as well and, indeed, I think I am correct in saying that that particular head of obtaining citizenship is a discretionary one anyway but certainly the point is taken that it is necessary to look at Part 2 in particular of the British Nationality Act, and if I may suggest that if one wants to see what the principles are in Britain, then one looks at Part 1, and in fact Part 2 is really a mirror at a more generalised level of the principles in Part 1. Can I mention one other matter because I do not think that the Chief Minister has a brief on this and my days of some slight familiarity on international law have brought back a point to me. The position is that the British Government has deposited a declaration with the Community, what they have done is sent it to the community, I would not like the word "deposited" but as I understand declarations they are unilateral acts anyway and this is the British Government's declaration.

HON P J ISOLA:

If the Attorney-General will give way. I have not heard that declaration. I thought he had mentioned it, the British declaration on EEC Nationality. Unfortunately I was out. Can I know what it is going to be?

HON CHIEF MINISTER:

Perhaps I anticipated the matter. I read what the present declaration is and at one point it looked as if the new declaration had to be negotiated and we were brought into this, but it has now been decided that there is no question of negotiation at all. It is done by the Government whose citizens are affected and what is happening is that the British Government is depositing, presumably on the 1st of January or the day before or whatever it is, a substitute to the declaration which is contained in the Treaty of Accession in respect of the definition of nationality. Therefore Ministers have agreed on the various criteria in England for the depositing of this and I was only interested in the one that affected Gibraltar, and the one that affected Gibraltar

will be, amongst others, in view of persons who are citizens of the United Kingdom and colonies by birth or by registration or naturalisation in Gibraltar or whose father was so born, registered, or naturalised British Dependent Territories citizens would acquire their citizenship from a connection with Gibraltar. It is much wider, it is wider and it helps us to be wider because through this you go into Section 5, and you want to make sure that you get the people who belong to Gibraltar, who are the people who get registration under Section 5. That is the position that I explained before. Does that answer the question?

HON P J ISOLA:

I think the subject has been dealt with very adequately by everybody. The only point I was really interested in was this question of definition of a community national. I am just wondering whether the definition and whether the section will enable people who are at the moment excluded, a small number of people who are excluded from EEC National status because of the fact that they were not born or registered in Gibraltar, that was the only point that I want to know.

MR SPEAKER:

Perhaps you will exercise your right to reply now.

HON CHIEF MINISTER:

That is why we think that this definition is much more helpful. You have the typical case which I always quote of a British Subject, third generation born in Spain, married in Gibraltar to a Spanish woman, registered in Gibraltar as his wife, she is a community national now and he is not. That was because he was having been a third generation British Subject born abroad and registered in a Consulate, of Irish origin, he is not a person who by birth or by registration or naturalisation in Gibraltar, or whose father was so registered, but his wife is because she was registered here. It is rather an anomalous situation that he could not register as a Community National. Equally, the wife or a United Kingdom citizen who married before 1948 because before 1948 you did not have to register, you became automatically a British Subject. The definition that has now been decided upon gives us the right to make that connection a sufficient connection to register as a European Community National so that in that respect it covers the number of anomalies that we knew. That is why I said it was more helpful. To reply to the number of points that have been raised some of which have already been dealt with by my Hon Friend the Attorney-General, I will deal with one or two. First of all, the leaflet to be available here. Yes, that is being prepared because it arose in connection with the question of the registration, how the registration was going to be done and there will be leaflets there and they will try to explain and the people there will help to get the papers that are required very much the same as when you go to the registry of.

Gibraltarians today the man in charge there tells you: "What you need is the birth certificate of your father and the marriage certificate and so on". That will be done but there will also be a leaflet. There are going to be three criteria for the Gibraltarians, for the people here. One is, of course, the Dependent Territories Citizenship and the Section 5 Registration. But that has nothing whatever to do with the Gibraltarian Status Ordinance. The Gibraltarian Status Ordinance remains as it is a domestic matter which is very sensitive. There was an attempt to try to and merge them all, logically, from the point of view of drafting and neatness which I resisted because I think that that to us means something different and I would rather not touch it than lose it by putting it into the bigger context. But that is a different basis. Whatever we do with our Gibraltarian status is different to either British Nationality of Dependent Territories or under Section 5 Registration. We know what it is, it is very difficult to define, we know what it is and we are leaving it like that. The other thing is that the point taken by the Hon Mr Bossano is perfectly right. I have assumed, because of the work that was done on the British Nationality Act, that at least Hon Members had the original Bill which was circulated and to which in the substantive part there have been very few amendments. But, anyhow, I will get as many copies as I can, certainly I will provide one for the Hon Member and two or three if I have available, or I will get them, to the other Members of the Opposition so that they can compare. It is true that it is no use talking about this if they do not know what the backbone of that is. Leaflets that may be issued in England. I will try and see whether we can get those, any that have been made to facilitate people in registering. We will write to the Home Office and I am sure we will get a supply of those for Hon Members. Certainly we will do that. I think, perhaps, I might finish up by saying that the British Nationality Act, 1981, provides all the structure of dependent territories citizenship for dependent territories. In fact, they were the ones who gave the British Citizen of the United Kingdom and Colonies, they were the ones who have taken it away and put something in its place. For us it is much more important for the definition because via that definition we get the Section 5 registration. That is why it is much more necessary and for that it is also more necessary to make sure that the connection with Gibraltar is more clearly defined for specific purposes and not exclusively, that is to say, there may be other criteria that is not in the Bill. The last thing I want to say is that leaving this to the next meeting of the House will of course take us to the new year but the Home Office are quite relaxed about this matter and they do not mind if we do not clear this in this respect and they know that we wanted time and we have been working against time but, anyhow, it is here now and it will be dealt with at the next meeting. That is all, Mr Speaker.

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 wish to give notice that the Committee Stage and Third Reading will be taken at a subsequent meeting of this House.

THE TRADE LICENSING (AMENDMENT) (NO 2) ORDINANCE, 1982

HON A J CANEPA:

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

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

SECOND READING

HON A J CANEPA:

Mr Speaker, I have the honour to move that the Bill be now read a second time. Sir, we are bringing this Bill to the House following representations on the matter made to Government by the Chamber of Commerce. The main provision in the Bill will require that persons who are importing into Gibraltar in commercial quantities should also hold trade licences in those goods which they are importing. Sir, the Bill defines what commercial quantities are, they are defined as including quantities which are actually imported for commercial purposes and quantities the size of which indicates that they are so imported and therefore in the latter case a person would take himself outside the licensing requirements if he could prove, the onus being naturally on him to do so, that importation is not for commercial purposes, in other words, that it is for personal use. Sir, provision is included in the Bill to allow existing importers three months to apply for licences, this follows previous practice with other amendments that have been made to the Trade Licensing Ordinance, these are the transitional provisions which have been made from time to time and at the same time, Sir, the Bill provides a wider definition of trade to include the importing of goods into Gibraltar in commercial quantities. I do not know, Sir, having regard to what may happen on the 15th of December, or may not happen, whether from that end such a Bill will in fact need to be applied. But it is a Bill of general application, regardless of what happens at the land frontier, it will apply elsewhere, the Chamber of Commerce feel very strongly about the matter and the Government has not had much difficulty in agreeing to legislate accordingly and to meet their representations. Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON G T RESTANO:

Mr Speaker, I think, generally speaking, we agree with the Bill. I think it is obvious that somebody who is trading in a particular item should be able to import that item in commercial quantities. The only query that I have is that in the explanatory memorandum it says the definition of trade is widened to include the importing of goods into Gibraltar. I hope that there can be a correlation between the import licence, the licence to import goods, and the contents of the licence that the trader already holds. For example, if a trader is selling foodstuffs, shall we say, he is not necessarily in a position to import, say, radios or vice versa so I think that in the import licence itself it should go hand in hand with the items which the trader already holds under his trade licence. Other than having an answer to that query we will support the Bill.

HON MAJOR R J PELIZA:

I do not know whether the message was put across. I think it is important that there should be obviously some protection and this is what all this is about so that someone who is denied the right to retail or the right to wholesale suddenly finds a loophole by importing and then perhaps disposing of whatever he is importing in a clandestine way that one cannot really get down to. I think it is really a welcome move on the part of the Government but I think the point that my Hon Friend was trying to make is if it is just a licence to import then I think the object as I said before, is defeated. It must be the right to import a, b, c, d, a definition of the goods that he is going to import so that if there are, as with everything else, too many importers and this is going out of control or for any other reason we do not want any more importers of a particular item in Gibraltar, that can be done. But at the same time I think it is a bit unfair for those who are already trading in certain particular lines that they should almost automatically have a right to import if they wanted to so that if we have a wholesaler but he is not importing radios and televisions then if he asks for a licence I think that should not be denied, in other words, someone who is already trading in Gibraltar whether it is wholesale or retail, I think should have the right to be able to import the goods for which he has already a right to trade on. If that is covered by the law, fine, I am just putting the point across. I think that if that is so, we are happy. I was not sure that this was really covered by the Bill but if that is the view of the Government then that is fine. I think it would be rather unfair on that particular individual who may be retailing or wholesaling finding that an importer will not sell to him and therefore it creates what I think is an unfair situation for those particular traders.

HON CHIEF MINISTER:

I think we ought to remember the origin of this Ordinance and that was the fear that in an open frontier situation, not on the limited nature announced yesterday but in a fully operational frontier where goods would move quickly that you would have people importing goods wholesale without any permission and then finding the situation of having either to licence them or sending them back. The safeguards are there, I think.

HON W T SCOTT:

I have a question that springs to mind and perhaps I might have to declare an interest here. Insofar as the building industry is concerned and particularly with contracts awarded by Government on Government development, the successful contractor where goods are available, normally subject to duty on importation, a condition of the contract is that the importation of these goods are duty exempt on certification by the relevant Government department that at the time of importation those goods are the property of the Government. In those circumstances, would the builder require such a licence because after all he is not importing the goods necessarily, the goods have been imported to the Government and by the Government?

HON J BOSSANO:

My understanding, Mr Speaker, of the wording of the amending legislation is in fact that it extends the definition of the word trade to include importation and, therefore, if my understanding is correct, what I take this to mean is that anybody who today holds a licence to trade in a particular commodity by virtue of the new definition automatically holds a licence to import those goods in which he already has a licence to trade.

HON CHIEF MINISTER:

Which he does not require now.

HON J BOSSANO:

Which he does not require now, that is, that today he is able to do it because anybody can do it. Under the new Ordinance all those who are already in possession of trading licences in particular areas will be able to import automatically as they do today and anybody who is not in possession of a trading licence in that particular area may seek a licence to import exclusively without necessarily having to set up a shop and so on. I think from that point of view it gives the sort of protection of limiting or at least monitoring who is importing without depriving anybody who is legitimately doing it as an extension of his business today from doing so and if that is the case I see nothing to object in that. I am not

sure that it will do anything to prevent exporting from a neighbouring country and I wonder whether that situation, really, is the one that people are afraid of where it is not so much a question of somebody here importing without having a business organisation here but, in fact, some of the stories that I have heard is that there are salesmen already in Gibraltar selling from a base in our neighbouring state without even the frontier being opened and whether that would require a licence under this Ordinance or not I am not entirely sure that this is the case. If that is the sort of situation we want to protect people against I am not sure that we are achieving it with this.

HON ATTORNEY-GENERAL:

Mr Speaker, can I say that it is precisely the case of what the Bill does which is to extend the definition of the word "trade" and the word trade formally would not have covered the act of importing but the intention of the Bill is to make the very act of importing an activity which is a trade and therefore is subject to a licence. Can I just make one other point quite clear and that is that the transitional provisions will apply to anybody who is actually carrying on the importing of particular goods immediately before this comes into force so it will not apply to everybody at large who could now carry it on but for some reason or other they will apply to people who are engaged in the business of importing just before the Bill becomes law and that is the class of people the transitional provisions are directed towards saving, as it were, and carrying through without finding themselves suddenly debarred from an activity which they previously undertook. The other aspect of the transitional provision which is really expanding on what I have said, it is that those people will have no fears about suddenly finding their business curtailed. They will providing they take the administrative step of applying within a certain time for a licence, they will in effect be entitled as of right to a licence to carry on the business they were previously carrying on. I see no difficulty at all to the point raised by the Hon Mr Restano for extending the area of activity in which one needs a licence but administratively a licence could be issued to cover both your activity of actually retailing or disposing of what you brought into Gibraltar and at the same time the activity of importing the thing into Gibraltar itself so one licence administratively could wrap up both, I am sure.

HON J BOSSANO:

If the Hon Member will give way. Isn't this automatic? My understanding of this would be that if we are expanding the definition of trade, then anybody who has today a licence to trade by definition has a licence to import because he is entitled to trade because it says "and also means the importing of any goods", so if trading means selling goods and importing goods, if I have today a licence to trade by definition I have a licence to import.

MR SPEAKER:

If you have a licence to sell by definition you have a licence to import.

HON J BOSSANO:

Yes, and therefore there is no question of having to extend it I would have thought.

HON ATTORNEY-GENERAL:

This is a matter I think I would like to look at overnight, Mr Speaker, but the intention of the transitional provision is that it is directed not towards citizens at large if I may use that expression, but towards the people who are actually carrying on business at the time when the Bill becomes law and I do not mean business in the general sense of trading, I mean the business of importing. It is really intended to focus just on that particular area of activity.

HON J BOSSANO:

I hope the Hon Member will forgive me for interrupting him, I know it is his Bill and not mine, but I do not think this is what he says in his Bill. As I understand it, what the Bill says is that the transitional provisions would apply to the people who are today involved exclusively in importing and who in fact are not licensed because they do not require to be licensed and therefore we have two categories of people, really, as I see it. We have people who are importing and are not licensed because under the present legislation anybody can import anything unless it requires an import licence, but as far as the Trade Licensing Ordinance is concerned there is no requirement to be licensed in order to import so we shall have some people who are importing and to whom the transitional provisions apply. The other category are the people who may not be importing, who today are free to import if they chose to because they do not require a licence, and who will continue to be free to import if they choose to because under the new definition, under the expanded definition of trade, trade includes importing, that is what I understand him to be saying.

HON ATTORNEY-GENERAL:

I will certainly look at it very carefully but the scheme in my mind I would like to say I believe it does cover it but in principle it is the first group which the transitional provision as distinct from the general new licensing requirements is intended to cover but I will look at the point, as I say, to make sure that it is expressed correctly. The only other matter is a matter which I myself from a technical point of view will need to have time to look at and that is the question of the implications of this in relation to Government

contractors who bring goods into Gibraltar. My immediate reaction is that the importer is probably the Government but I would like to make sure of that.

HON A J CANEPA:

Mr Speaker, purely as a layman, the Attorney-General has said he is going to look at that point in rather more detail but not only does that point arise that the importer may in fact be the Government but I wonder, really, whether in the fullest sense of the word it can be said that a builder is importing for trading purposes, he is importing in order to carry out a specific contract for the Government. I do not know but, anyhow, I am only a layman, Sir. The Hon Mr Restano made a point as to whether someone who has a trade licence to trade in certain goods, say, food items, would he be able to import transistor radios. No, I do not think so, he has got a trade licence to import items of food, if he wishes to import transistor radios he has to apply for either a separate trade licence or to have the range of goods for which he holds a trade licence widened. It is a completely new situation which the trade licensing authority would have to consider. The other point I was going to make which I think the Hon Mr Bossano made at the end was that, yes, if someone has a trade licence under the new definition it is implicit that he is able to import those goods other than in the case where an import licence is required under another piece of legislation, for instance, goods in which reserve stocks have to be kept like sugar, for example, and price controlled items. There a specific import licence is required and getting a trade licence would not enable the individual to import because Customs would soon pick it up. That is my reaction, Mr Speaker, save on the point which the Attorney-General will be studying and I am glad to see that the Bill finds general acceptance from Members of the House.

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 will be taken at a later stage in these proceedings.

This was agreed to.

THE TRAFFIC (AMENDMENT) (NO 2) ORDINANCE, 1982

HON M K FEATHERSTONE:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Traffic Ordinance (Chapter 154) 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 concerned to do two things. The first of these is to implement the requirements of a European Community directive intended to enable the recognition of national driving licences in other member states. The directive in question is the first Council directive 80/1263 of December the 4th, 1980, on a Community driving licence. The eventual object, of course, Sir, is to have a Community driving licence but this is something that will possibly come in the future. At the moment it is only necessary to comply with the directive which becomes operative on the 1st January, 1983, to recognise national driving licences. Now, Sir, there are two sides to this matter. In the first place we have to provide where a person who holds a valid Gibraltar licence takes up normal residence in another Community state, for the Gibraltar licence to remain valid for at least one year. He will then be able to use that licence in the State in which he resides for up to 12 months. If within that time he applies for a national driving licence in that other State, he is entitled on the surrender of his Gibraltar licence to be issued with one of that State of the same category of vehicle that the Gibraltar licence he now holds. That means that if somebody holds a valid Gibraltar licence and he goes and takes up residence in, say, France he can drive for one year in France on his Gibraltar licence.

MR SPEAKER:

May I interrupt, because I am very interested in this. What about if he resides in the United Kingdom, is he entitled to a UK licence?

HON M K FEATHERSTONE:

No, it does not apply to the United Kingdom, everywhere except the United Kingdom. But if he goes to France he can drive for one year on his Gibraltar licence but during that year he can surrender his Gibraltar licence to the French authorities and be issued with a French licence. Now, Sir, on the other side of the coin, we have to recognise for one year national driving licences held by persons who take up normal residence in Gibraltar and to issue them corresponding Gibraltar licences if they surrender their national licences during that year. This means that if a Frenchman comes to live in Gibraltar then he may drive on his French licence for one year but in the same way as the Gibraltar licence is going to France during that year he can surrender his French licence and can be given a Gibraltar licence. These arrangements of course, only apply

to vehicles in categories A to E, and they do not apply to learner licences. The other object of the Bill, Sir, is something that I promised, I think, in the last meeting of the House and we have gone a little further as well. It is to sub-divide our existing categories A, C and D into two sub-categories in each section. Category A, I think the Hon Mr Loddo will be happy to know, refers to motor cycles and we are going to have a Category A licence which will cover cycles up to 125cc and an A1 licence for any motor cycle of greater capacity. Category C will at the moment relate simply to motor vehicles for goods transport exceeding 3500 kilogrammes but the sub-division will be C for unarticulated vehicles and C1 for articulated vehicles, that is, those vehicles that have a driving cab and a section at the back. Category D applies at the moment to passenger carrying vehicles to carry more than eight passengers, and this is going to be sub-divided into D for nine to twenty passengers and D1 more than twenty passengers. These measures will come into effect on a date to be appointed and completion of the changes will be by way of regulation. It is intended to provide these with transitional provisions to cover persons who already hold licences in categories A, C and D. It is not intended to limit their already acquired rights under these licences so that they will be able to continue to drive all vehicles within their categories. Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON A T LODDO:

Mr Speaker, I will assure the Hon Mover that Mr Loddo's happiness will be complete if he takes note of one or two points that I will be making and amends this Bill accordingly. I have on several occasions asked questions in this House on motor cycles and my concern here has been twofold. One, of course, is that I was concerned that because there was only one category of motor cycles anybody could take a test on a small powered machine and yet be allowed to drive a high powered vehicle. That was one concern. But then there is also another concern and that is that under this proposed legislation there is nothing to stop a 17 year old from going to a dealer and buying a 1000cc motor cycle and learning to drive. All it means is that he can now drive a big motor cycle. My contention is that anyone who wishes to drive a motor cycle should not be allowed to learn on anything higher than a 125cc and when he obtains his licence on that particular vehicle, he should for one year be made to drive or be allowed to drive nothing of a higher power than a 125cc. After a year's provisional licence, if you like, then he can go on to a higher powered engine because I have had the experience of seeing a young chap with a 1000cc motor cycle stop in Main Street and not be able to hold the bike upright,

the bike tipped over, he jumped out of the way, and then it took three men to put the bicycle back on an even keel. So that is one thing I would like to see. I would like to see that the young of today learn to respect the highway, learn to respect the power of the machine that they have got and I am sure that it will make them better drivers. One year is nothing in a lifetime but it could mean a lot if it means that you are going to live a lifetime and not have your lifetime cut short at the age of 18. Another thing that I would like to see is provision made for holders of B licences, people who have been driving motor-cars and are qualified drivers and are competent drivers of motor-cars, to be able to drive a moped under 50cc capacity without the need to have to take any tests whatsoever because these vehicles, and I have one, cannot develop more than 30 miles an hour. I can assure this House that I have been overtaken by a chap on a bicycle and I do not think that anybody who has a competent driving licence, who has road sense, who already has passed a competent test in driving should be made to take an examination for what is virtually a glorified bicycle. If the Minister would take note of these things and by the time we come to Committee Stage he will find it possible to amend it, or insert his amendment, I can assure the House that Mr Loddó will be deliriously happy. Thank you, Mr Speaker.

HON MAJOR R J PELIZA:

I think I should say that there is a lot of sense in what my Hon Friend on the left has said today and I hope the Minister will take note of that. The question I was going to ask really is that he said that the provision of these licences being exchanged for an EEC licence, the Gibraltar licence exchanged for an EEC licence, did not apply to the United Kingdom. What happens to a United Kingdom citizen who comes to Gibraltar, what are the requirements, how long can he use that licence, what is the position in that respect?

HON P J ISOLA:

Mr Speaker, I would like to support the remarks of my Hon Friend Mr Loddó, which I think show abundant good sense because the person who is learning to drive in a motor-car is required by law to have a chap sitting next to him who is an experienced driver. A young man who is learning to drive a motor cycle, all he has to do is put the "L" plate on, and away he goes with a helmet. Different countries approach these problems differently but I understand that the position that my Hon Friend is describing is what happens in England and that is you get a licence under 125cc, and you are not qualified to hold a licence on a motor cycle above 125cc until you have held a driving licence for a year and that to me, Mr Speaker, makes a lot of sense because in that way the chap who is going to apply for a 125cc and above licence is going to have behind him a year's experience and it terrifies me to see the "L" plate on one of these huge powerful motor cycles with a young man on the road and only the other day, when my Hon

Friend arrived from England, there was a motor cycle accident in Winston Churchill Avenue and the ambulance came along and picked up the pieces. I think it is a real problem and I think if the legislation can be changed to conform with the English legislation, I do not know whether I am right in saying it is that, but certainly if we could have especially now that the frontier is to open for pedestrians only, but supposing there is a full opening, can this House imagine what is going to happen. I know we are going to learn by experience, a few young people are going to lose their lives, that I think is going to happen, but if we could at least say that a young man, a 17 year old, cannot get on the back of a motor cycle that is above 125cc, we would be doing something towards helping in that direction. If he wants a bigger motor cycle let him have it after he has had one year with his licence driving in Gibraltar or elsewhere and certainly I would fully agree with what my Hon Friend has said and it is because of that, Mr Speaker, that we would not like the Committee Stage to be taken in this meeting of the House, we would like it to go to the next meeting so that the appropriate draft amendments can be either put forward by the Government or proposed by us. I think it is going to be a bit complicated amending it in this way but I am sure that the House will agree with us that it makes eminent good sense that we would take a step forward in trying to prevent more accidents than there are already with motor cycles and young people.

HON ATTORNEY-GENERAL:

Sir, may I make a particular point. As the Bill is drafted, the legal effect of this is that a person who comes here holding a UK driving licence would be able to take advantage of the provisions at this end whereby he can use that for a year and then in due course within that year trade in, as it were, his UK licence. He could take advantage of it.

HON MAJOR R J PELIZA:

He said trading in. Does this mean that he cannot retain the UK licence because it would be difficult for him to regain it again when he goes back because he cannot exchange the Gibraltar licence for a UK licence.

HON ATTORNEY-GENERAL:

The Community directive is silent on this point.

HON MAJOR R J PELIZA:

It is quite a problem, isn't it, for the UK one.

HON ATTORNEY-GENERAL:

But the point I was trying to make was that a UK licence can be used throughout the year. I suppose a short answer would be that he would take advantage of it for a year and I suppose also, I am really thinking as I go, it must be rather obvious, but I suppose also that once he has been in a place for more than a year there is an assumption that he is actually going to settle in that place for a period of time and therefore he should be prepared to take up the licence of the place he is going to. Leaving aside the particular situation of the UK, going back the other way, if we can take another country as an example, of course the converse applies that he gets the Gibraltar licence then he goes back the other way again he can get a UK licence.

HON MAJOR R J PELIZA:

Not a UK licence.

MR SPEAKER:

We are talking on the general principles of the Bill now and at the Committee Stage you may be able to interrupt.

HON ATTORNEY-GENERAL:

Can I say as a matter of principle, it is really as I see it designed to facilitate residential movement around the Community and dealing with the general situation, one could come from Denmark to Gibraltar, use the Danish licence for a year, then get a Gibraltar licence, then if he changes his mind he goes back to live in Denmark and the reverse process works but to answer the particular point, in the case of the UK, we have a provision which UK citizens could take advantage of, we happen to know that the reciprocal situation as yet has not been settled for Gibraltar in the UK.

HON MAJOR R J PELIZA:

I think the problem is this as I see it. It is straightforward with any of the other EEC countries, where literally if you surrender, say, the Danish driving licence, when you go back to Denmark all you have to do is trade in your Gibraltar licence for a Danish licence, it is just straightforward, isn't it? But if you happen to be living in Britain and you have to surrender your UK licence and then you go back there, you cannot get a UK licence unless you go through the whole procedure all over again and sometimes, believe me, in England it takes months before you can get a driving licence.

MR SPEAKER:

With respect, we are getting into detail and I will not have it. When we get to the Committee Stage that is the time to discuss this sort of matter. We are now talking about the general principles and we are bobbing up and down when we should not.

HON ATTORNEY-GENERAL:

The only point that I wanted to make by way of clarification was that the Clause, as drafted, does apply to people who come from the UK in the same way as it applies to other communities, and that we happen to know that at this stage the reciprocal case has not been established.

HON A T LODDO:

On a point of clarification, Mr Speaker, a person coming from the UK with an English driving licence is entitled, obviously, to use his licence in Gibraltar for one year but now that person who holds a valid B licence in England is allowed in England to drive a moped, would the same apply to him here?

MR SPEAKER:

With due respect, we are getting into matters of detail which I am not prepared to allow at this stage. When we get to the Committee Stage we can discuss these details but now now.

HON M K FEATHERSTONE:

I have noted the points that have been raised by the Hon Mr. Loddó. The situation with the United Kingdom is of course a little bit complicated. This Bill is basically to give effect to a Community agreement between different members of the Community and, of course, as far as UK is concerned in the Community we are part of the UK. That is why it is not exactly working conversely with the UK but we are approaching the UK authorities to see if they will accept the exchange of our licences. The question of Mr Loddó being deliriously happy, I hope to make him relatively happy, if not delirious. The regulations that will be promulgated obviously will envisage that you must have the lower licence before you can apply for the higher licence. This will mean that you cannot get an A1 licence until you have had an A licence. You cannot get a C1 unless you have got a C, you cannot get a D1 unless you have got a D, so you will have to start with the lower licence and move in into the higher licence. I am not quite sure whether the restriction of one year would be acceptable, it might be the possibility of making it six months, I do accept that there are instances where a 17 year old cannot control a bike but you do get big 17 year olds and you do get small 19 year olds, so a big bike with a small 19 year old is just as bad as perhaps a big bike with a big 17 year old.

With regard to the B licence, allowing them to drive a moped, I do not think this is acceptable. We do have it represented to us by the traffic authorities that the driving of a car and the driving of a moped may have some similarity in road sense but as far as the mechanical operation it is considerably different and they feel that they cannot automatically allow a moped to be driven just because you hold a B licence. This is more so because we have got the regulation here that you cannot, as in other countries, drive a moped up to 50cc with no licence whatsoever. Apart from that, I think we go along entirely with the Hon Mr Loddo's wishes and therefore I do 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 M K FEATHERSTONE:

Sir, I beg to move that the Committee Stage and Third Reading should be taken at a later stage in this meeting.

HON P J ISOLA:

We think that as a rule Committee Stage should not really be taken at the same meeting unless it is very urgent and there is no objection. It seems to me that there may be other people who want to make representation, we have only had this Bill ourselves a week ago. I accept what the Minister has said, I am not sure whether he is right or whether what we want can be done by regulation. We would like to check that out ourselves.

MR SPEAKER:

Well, I am sure that the Minister will take your comments into account and we will now recess until tomorrow morning at 10.30.

The House recessed at 7.35 pm.

THURSDAY THE 9TH DECEMBER, 1982

The House resumed at 10.45 am.

MR SPEAKER:

I understand that the Chief Minister wishes to make a statement.

HON CHIEF MINISTER:

Yesterday, in connection with Question No. 351, which the Hon the Leader of the Opposition asked whether the problem had been resolved between the Chamber and GBC which was I think the main purpose. Then I said that as far as Airtime International are concerned GBC have formally revoked the agreement but the matter continues to be the subject of correspondence. That reply, Mr Speaker, was actually cleared with the Chairman of the GBC in order to get information. In the course of the supplementary which was really not connected with that the Hon Mr Haynes asked whether it was a fact that my Chambers had been - I do not know what the word used was - retained by Airtime or something like that and I said no. I have since found out that during one of my partners visits to London, he was approached by a firm of solicitors about this question. Had I known that yesterday I would have disclosed it to the House, whether it is an interest or not, I would certainly not have said no. Since I found out since then that that was the case when I said it I truly believed that to be the case, now I want to say that as far as whatever result may come and whatever action I may take in respect of the situation, I would like to clear that what has happened is that an approach was made by a firm of solicitors and not by Airtime International who deal mainly with my partner, to say whether he would take an interest in this matter.

MR SPEAKER:

I would also like to take this opportunity to say that the Hon and Learned Mr Haynes has given notice that he wishes to raise a matter with reference to Question No. 312 on the Adjournment. He gave me notice yesterday afternoon before 5.00 pm.

THE GROUP PRACTICE MEDICAL SCHEME (AMENDMENT) ORDINANCE, 1982

HON J B PEREZ:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Group Practice Medical Scheme Ordinance (No 14 of 1973) be read a first time.

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

SECOND READING

HON J B PEREZ:

Sir, I have the honour to move that the Bill be read a second time. Mr Speaker, the purpose of this Bill before the House is twofold. First, it is proposed to increase the contributions payable by members of the Group Practice Medical Scheme with effect from the third day of January, 1983. Secondly, it is being proposed to introduce a new category of contributor.

Insofar as the contributions are concerned, Mr Speaker, it is proposed that the contributions payable in respect of employed persons should be increased from 39p per week to 45p for the employer and similarly for the employee, an increase of 6p per week. On an annual basis this represents an increase for the employer and for the employee from £20.28 per annum to £23.40 per annum. May I say, Mr Speaker, that there is a misprint in the actual Bill itself and I will move an amendment at the Committee Stage. In section 2 the figure should read "in which case he shall pay an annual fee of" it should be "£23.40" and not "£25.40" because the contributions payable by voluntary contributors will be increased now by an extra 9p per week making a total payment of 70p a week, an annual increase from £31.72 per annum to £36.40. Again these increases will come into effect on the week commencing 3rd of January, 1983. Mr Speaker, I shall now deal with the second purpose of this Bill. It will be recalled that when the House last considered an increase in contribution in December of 1980 which was the last time we increased the contributions, the question of the possible hardship which could be suffered by the lower income groups as a result of further increases was raised and I gave an undertaking at the time that I would bear this in mind when the rates of contribution were next to be revised. This has been done and I feel from my experience as Minister for three years in having to deal with applications for exemptions, that there is a particular need to include a further category of contributors who should pay a lower contribution. This category will comprise that group of persons or families not being in employment whose income is above the rate of the old age pension for a single person but below the rate for a married couple. As Members of the House are aware, the rates of pension from January, 1983, is £36.70 for a single person and £55 a week for a married couple. This, Mr Speaker, will give a certain amount of leeway and will enable my department to give a measure of relief to those persons who at present unfortunately fall outside the scope of Regulation 6(a) of the GPMS Regulations which in fact provides for the remittance of the payment, the annual contribution at the Minister's discretion and who are currently required to pay the full amount of the contributions payable by voluntary contributors. Voluntary contributors, to take an example, like myself, who is self employed, I am a voluntary contributor and therefore due to Regulation 6(a) certain people who are not employed, not in employment, let us take the example of a widow who, say, was at the rate of £36.70 in January of next year by way of pension but she had a smaller pension apart from this, the position was that if that amount of money was only £1 or £2 extra a week, the department could remit the full amount payable by that particular individual. But where you have a situation where the pension was, say, £5 more than the level of the old age pension, the department could not, in full fairness, exercise a discretion to remit and tell that person she did not have to make a contribution and therefore that Mrs X was paying 61p a week which was exactly the same that I was paying and I felt that that was unjust. With the proposed new category we are definitely doing away with that particular unfairness

as I have experienced it in the last three years. The contribution payable now by these persons in this particular category shall be the same as the employed persons contribution of 45p a week but let me assure Members of the House that the discretionary provisions of 6(a) still apply today so persons who are in fact in receipt of just the old age pension, who are in receipt, say, of £36.70 or who would be in receipt of £55, and if they have other income of a small amount, those persons would still not be required even today with the new category have to pay any contribution at all. All these persons, Mr Speaker, who consider that they fall within this new category should make an application for inclusion in this category by calling at the Health Centre where their enquiries will be dealt with. Mr Speaker, as mentioned previously, the Government has taken this step in order to afford a measure of relief to those persons who may at present be suffering hardship but keeping within Government stated policy that any relief in the payment of contributions should be linked with the income of contributors and not with pay. Mr Speaker, I commend the Bill to the House.

MR SPEAKER:

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

HON G T RESTANO:

Yes, Mr Speaker, we cannot go along with this Bill, Mr Speaker, on two grounds. First of all, we believe that contributors are not getting a very fair deal insofar as seeing consultants at the hospital is concerned. We have raised the matter before in this House that persons who are to see consultants under the GPMS are treated as second class patients. First class patients are those who go and see consultants on a private basis and we feel this is wrong, we feel this is wrong because the doctors are employed by the Government for the patients of Gibraltar and the practice of seeing private patients and giving preferential treatment to private patients is a wrong concept and we cannot agree with that. I know that the Minister in October denied that this happened but I know very well that he denied it in this Chamber but then agreed with me outside this Chamber that the practice was carried out. So therefore on those grounds we feel that we cannot go along with these increases. Secondly, we feel that pensioners generally speaking, as a whole should be given free treatment and should not be asked to contribute. Most pensioners would have contributed all their lives in income tax, in social security contributions, and we feel that when the time comes at 65 for them to retire and be pensioned off, they should be given recognition for their years of service and at the time when they most need the services of doctors that that service should be given free. Mr Speaker, we shall be opposing this Bill.

MR SPEAKER:

Are there any other contributors to the debate?

HON W T SCOTT:

Mr Speaker, I think the Hon Member opposite finished his contribution by saying "linked with income and not with age". I find this a little bit remarkable because it is an inconsistency because, for example, contributions, weekly or monthly contributions, are certainly not linked with income and here we are now on an established practice Government bringing a new practice of linking income with age but only for people in receipt of pensions. Surely, as with pensions, and it is a good system, I think, the most effective system certainly that I know in the sense of an insurance or a pension scheme, where the contributors today pay for the contributors of yesteryears and I think in fact there is an equivalence between the pension contributors today, weekly or monthly, and in fact people who subscribe and pay for the Group Practice Medical Scheme. In fact, Government itself has already done this with pensions irrespective of other income because it does have an old age pension which is tax free to everybody irrespective of the income that they have and this is an illogical step, I feel, and certainly one of total inconsistency.

MR SPEAKER:

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

HON J B PEREZ:

Mr Speaker, I must confess I am rather disappointed by the contributions of Members opposite. I was expecting them to have contributed more fully to the new category which is being introduced in the House which in fact was discussed in the last meeting in December of 1980 when I brought a similar Bill for an increase in the contributions and as I say I am very disappointed that at least they have not had the decency or the courtesy to at least give some credit to the Government for doing something which they promised to do when the matter was last discussed in the House. I will deal first of all with the points raised by the Hon Mr Scott. I think there is really very little that one can reply because the Government's position is very clear, this has been put forward to this House on many occasions, we are not of the opinion, as far as the GPMS is concerned, that when you reach the age of 65 you should not pay anything, we think that is absolutely wrong. What we say is, and this is where we bring in the question of income, that when a person who is not employed and if his earnings, if his sole income is the level of the old age pension, the full level, either £55 or £36.70, what we are saying is that that person should not pay. But what we feel is wrong is that for persons who apart

from old age pension of £55 a week have substantial income that they should also get this scot-free, we feel that this is wrong. But let me remind Members opposite that Regulation 6(a) allows the department to have discretion in cases of hardship so as I have already said in my original speech on this Bill, persons who may have a small income apart from the old age pension, they do not have to pay anything, that is what I mean when I say that the Government's policy is one on income and not on age. As far as the two points which the Hon Mr Restano has raised, the first one being that he feels that he has to vote against this proposal, let me remind him that he is also voting against the new category of contributors. Now he can do that I cannot understand, Mr Speaker. It was never said by the Opposition that it does not go far enough and this is why I say, Mr Speaker, that I have been very disappointed with the contributions of the DPBG.

HON W T SCOTT:

If the Hon Member will give way.

HON J B PEREZ:

No, I am not going to give way because I think that if they wanted to say something they should have said it before and not now. As far as not getting a fair deal because of the consultants, I think, Mr Speaker, that this is an extremely poor excuse by Mr Restano. I think what has happened is that, he has said: "Oh, well, we cannot vote in favour of this and we have to think up some excuse". I am sure that this excuse has been thought of some five minutes before coming into the House this morning. On the question of consultants I have said on many occasions in this House, Mr Speaker, that in general I am not aware that people are not getting a fair deal and that is the honest truth, Mr Speaker, I am not aware. There have been cases which have been brought to my notice and I remember one which was brought to my notice by the Hon Mr Loddo and I agreed with him that in that particular case it was checked, it was investigated and he was right. Let me also say, Mr Speaker, on this question of consultants, that unless the people come forward and tell me or refer the matter to the Director of Medical and Health Services, there is no way in which we can investigate the matter. I have offered the opportunity, in particular to Mr Restano, on numerous occasions in this House if he hears of cases come to his knowledge in which a person who has been referred by a doctor in the GPMS has been treated as he tells me, as a second class patient, for God's sake bring it to my notice and we will look at it. But no cases have been brought to my notice and even members of the public, in fact, in the last year perhaps three cases have been referred to me and they have been investigated but that is all so I can never admit in the House that persons who are referred by GPMS doctors are treated as second class because the reality is that I am not aware that this is done. Let me tell the House as well,

Mr Speaker, that with the new Director, I asked him to look at certain aspects of our system and this is one of the aspects that I have asked him to look at. I told him about the complaints that I had had, three or four in the year, and of the questions that have been raised in the House and this is a matter which he has undertaken to look at very carefully. But as I say if people are not prepared to come forward and make a complaint then, Mr Speaker, there is no way in which the matter can be investigated. But let me again reiterate my views and that is that as a whole I do not accept, I cannot accept that persons referred by GPMS doctors are considered as second class. The position of consultants in private practice is very, very clear, I have answered questions on many occasions, they are entitled to private practice provided their gross income at the end of the year of private practice does not exceed 10% of their gross salary. Not only that, consultants are required under their conditions of employment, to submit annual accounts to the administrator of the hospital, so the procedure is there. If it is being abused, I am not aware of it, and I would again reiterate my offer, if you have cases, if Members of the House have cases, please bring it to my notice and we shall look at them. But it is no good crying out in the House every time we meet and then the matter is not being followed up, that is wrong. I think the other point that Mr Restano raised was again the question of pensioners which I think that I have already dealt with, Mr Speaker, in answer to the point that was raised by the Hon Mr Scott. Mr Speaker, I commend the Bill to the House.

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 Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon E G Montado

The following Hon Members voted against:

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

The following Hon Member was absent from the Chamber:

The Hon A J Canepa

The Bill was read a second time.

HON J B PEREZ:

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

This was agreed to.

HON M K FEATHERSTONE:

Mr Speaker, may I make a short statement on the Committee Stage of the Traffic Ordinance. Yesterday, the Opposition intimated that they would like the Committee Stage and Third Reading left to another meeting of the House although I did say that it was going to be taken today. The Chief Minister spoke to me about it and asked me whether I would be able to leave it to a later meeting but I do feel that it should be taken today because the FCO is very anxious that they can give an answer to the European Community that Britain, and of course Gibraltar which forms part of the British element in the European Community should accede to this by the 1st January and they would not like to have to say that Gibraltar had not yet agreed to it. I would ask, therefore, that the Committee Stage should be taken today but with your leave, Sir, if the Opposition wish it, I would be happy to leave the Committee Stage to the last item to be dealt with. I would, at this stage, make the point that I undertake in the regulations that we make regarding the different categories to safeguard the situation that a learner's licence for a senior category cannot be obtained until the junior licence has been passed and in the case of motorcycles, that applications will not be permitted until the junior licence has been held for one year. I am also willing to look into the question, not at this stage but for another amending Bill, to see if we can accommodate the idea of the Opposition that mopeds should be permissible for people who have a category C. I think that that should go a long way to meeting the objections of the Opposition.

MR SPEAKER:

May I have the views of the Leader of the Opposition on this?

HON P J ISOLA:

Mr Speaker, having regard to the assurances that the Minister has given, we would be content then to deal with it.

MR SPEAKER:

May I ask then, in the light of the assurances that have been given by the Minister, is it really necessary to take it at the end of the meeting or can we take it in its proper order?

HON P J ISOLA:

Yes, we will not propose any amendments in view of what the Minister has said.

THE PUBLIC SERVICE COMMISSION (AMENDMENT) ORDINANCE, 1982

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Public Service Commission Ordinance (Chapter 132) be read a first time.

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

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that the Bill be read a second time. The Public Service Commission is established under the Constitution and under Section 74 of the Constitution the Governor, after consulting the Public Service Commission, may make regulations dealing with its procedure. The Governor, after such consultation is in fact proceeding to make such regulations which are now in draft and they will deal with such matters such as quorum, setting up of boards and other machinery matters designed to facilitate the carrying out of these Commission's duties. It also happens, and this is the reason for this Bill, Mr Speaker, that there is a Public Service Commission Ordinance which deals with some substantive matters that also deals with procedural matters and this Bill is really simply, if you like, a restatement exercise. There seems to be no point in having some procedural matters in regulations which the Constitution itself contemplated and other procedural matters in an Ordinance, it would only be confusing the people to have to look to more than one place to find out where the procedures are laid down. What the Bill is doing is taking out from the Public Service Commission Ordinance as such the matters which are procedural and which will be repeated in the new regulations which will be published simultaneously. There are, however, as I intimated, certain matters in the Ordinance which are of a more substantial nature, for example, there are certain offences created by the Ordinance relating to the influencing of the Committee. There are provisions dealing with the prohibition of the disclosure of information acquired in the course of serving or working on the Commission, and it is my view that those provisions are not appropriately ones which can be made simply by regulations, they require the force either of the Constitution itself directly which does not touch on these matters, or an Ordinance of the House and so what will be left in the Public Service Commission Ordinance will be those weightier provisions. As I say, it is an exercise that restates the law in a more convenient form. I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Yes, Mr Speaker, I think this Bill provides us with an opportunity to discuss the issue of the Public Service Commission Ordinance and the principles behind it. I notice that in a previous legislature there were substantial amendments, and deletions to the Public Service Commission Ordinance which I think an Ordinance with 21 Sections and 2 Schedules after this Bill is passed, I think we will be left with about 4 Sections and no Schedules. We are not against that but the only point that I would like to bring up is that I am not very happy with the question of privilege that the Commission has. The question of privilege, I notice that in the previous principal Ordinance, privilege is given in the old Section 15 and the new one I think has been amended in order to enable privilege to extend to the Boards that are set up by the Public Service Commission. The power of appointment is really vested in the Crown. It is the Governor who acts on the advice of the Public Service Commission and in those circumstances it seems to me that the Crown in any proceedings that may take place should rely on Crown privilege. I think there has been a whole series of decisions on this in the Courts and I think that if a Minister of the Crown or in this case it would be the Attorney-General, claims privilege for any particular document, the Court would have to be convinced quite a lot before forcing the Crown to disclose a document. I think there are decisions on this, it happened with the Secretary of State for Education in different proceedings in England and at the end of the day it has been left to the Court itself to decide whether a claim for Crown privilege should be upheld or not. I believe that that should be the situation with the Public Service Commission or rather with any legal proceedings which will not be aimed at the Public Service Commission, I would imagine, it would involve the Crown, or the Governor. I say this because after all, at the end of the day the Public Service Commission is dealing with the rights of individuals, with appointments of people in the public service and if, and I cannot imagine the circumstances when there would be a case, and if there should be a case before the Court which after all may well involve a person's livelihood, a person's career, a person's good name, I think the right to bring all matters that are relevant to the proceedings before the Court should be there, subject to Crown privilege. He should not have to rely on whether the Deputy Governor decides that it can be released or not, specially if the Deputy Governor himself could be involved in the situation, which he might not be, but it would seem to me when we are talking of fundamental rights, which is what this Constitution seeks to protect, do not get me wrong, I am not against all communications of the Public Service Commission being privileged and all being secret and confidential and,

in fact I was going to say that perhaps the penalty now for letting any information out of the Public Service Commission which is only \$100 should, in fact, possibly be put up to \$500 because it would be a serious matter. Having said that, I think that in a case where an individual's livelihood is concerned before the Court, it should be left to the Court to decide whether to uphold the claim of Crown privilege or not and it should not be an administrative matter which I understand, I may be wrong, I think that is the position in England. If the Crown claims privilege it is jolly difficult for an order to be made forcing the Crown to disclose. The Court would have to be very satisfied on the matter that it is essential in the interests of justice that the document should be disclosed. But it is left in the last analysis to the Court and I think that once we are dealing with this particular problem, although I would entirely uphold the confidentiality of the Public Service Commission proceedings, I think that at the end of the day if there are legal proceedings and as I say I can imagine very few occurring, but if there are any and the disclosure of documents is essential for the administration of justice involving as it may well do the right of an individual to his livelihood, to his career or to his good name, that the final decision as to whether there should be disclosure or not should be judged with under the normal rules of Crown privilege which are tilted in favour of the Crown anyway. I mean, a Court does not force the Crown to disclose a confidential document unless it considers it to be absolutely vital in the interests of justice. I would like now that the actual issue is before the House, I think that we should put that one right.

HON CHIEF MINISTER:

Before he sits down, because I want to reply to one or two points, the Leader of the Opposition might say how he would envisage that what he wants would be done.

HON P J ISOLA:

As I see it, subject to correction, Section 9 of the Bill would be the Principal Ordinance, is further amended by repealing Section 15, fullstop. And then ordinary Crown privilege would apply to any proceedings because it is the privilege of the Governor because it is the Governor, it is the Crown that makes the appointment, the Public Service Commission is only a statutory advisory body.

MR SPEAKER:

May I be clear in my mind but isn't the privilege granted not by the Ordinance but by the Constitution.

HON P J ISOLA:

The question of confidentiality is in the Ordinance not in the Constitution. But the Constitution by saying that the appointments are Crown appointments automatically gives the Crown privilege, the normal rules that appertain to Crown privilege.

HON CHIEF MINISTER:

Is the Hon Member saying that the proposed new Clause 9 should be deleted?

HON P J ISOLA:

I am saying that Section 9 should be passed by deleting everything after Section 15 because there is already this statement in a different way in the existing Ordinance.

HON CHIEF MINISTER:

Mr Speaker, subject to the legal advice of the Attorney-General, whose baby this is, this is purely a constitutional matter and this is not a question of Government policy, it is a matter of advice, I would like to say one or two things on what the Hon Leader of the Opposition has said, purely as a lawyer and not as a matter of statement of public policy on which I would have to leave the matter to the Attorney-General who is the legal adviser to the Government. I do not know that I entirely agree with what the Leader of the Opposition has said about the question of Crown privilege being upheld if it is on the basis of the traditional concept of Crown privilege. Apart from statements made that the appointments are made by the Crown in that they are made by the Governor representing the Crown, my understanding of recent decisions are that the Courts have been more and more concerned as to the eating into the concept of the Crown privilege unless it is specifically stated. I think that there are quite a number of decisions recently in which some Ministers have been compelled to produce documents because the question of privilege was not sufficiently clearly established. If that has to be argued I would rather be quite clear on my legal ground in arguing the question of the confidentiality of the dealings of the Public Service Commission which is an advisory body and who must be protected from outside pressures and from also having to justify through any legal proceedings any decision or advice given. I think that it is essential particularly in a small place and if the independence of the Public Service Commission itself is to be maintained beyond any doubt, any question that might arise that might shake the inviolability of the advice given has to be looked at very carefully. That is my own personal view in the matter. For that reason I think that if there was, and this is substituting another section, if there was an element of protection in another way and we are trying to assimilate the Ordinance as much as possible to run parallel with the

provisions in the Constitution and that is considered by the Attorney-General as being a necessity to safeguard the situation, then I do not see how we can agree to withdraw it. On the particular point made about the fact that the Deputy Governor is allowed to authorise that and would be directly concerned, first of all, it does not arise because the appointment of the Deputy Governor is not made by the Public Service Commission but is made by the Secretary of State. The Public Service Commission to my knowledge do not look at applicants for the job of Deputy Governor.

MR SPEAKER:

They are prohibited by the Constitution.

HON CHIEF MINISTER:

I am grateful to you, Sir, for reminding me of that but I am certainly sure that they would not sit in judgement as to who ought to be the Deputy Governor to whom they would be giving advice, it would be an odd situation, anyhow.

HON P J ISOLA:

When I said the Deputy Governor might himself be involved, I am not saying that he might be involved as a party in the proceedings but that he is himself involved in the whole process as head of the Civil Service.

HON CHIEF MINISTER:

I accept that. He is the Head of the Administration in that he has to advise finally the Governor on the recommendations of the Public Service Commission, I accept that. That, in my view, makes it the more necessary that he be given precisely some element of discretion in order, in the public interest, that certain things that ought to be said should be said and to take protection under the overall Crown privilege would rather inhibit his willingness to release information that might well be in the public interest to release and I can imagine that some of the important things that can be released I often say that whilst you are under confidentiality and you cannot release something, unless a negative statement gives an idea of something having happened, certainly one is under no obligation not to say that something has not happened and therefore it is important that the Deputy Governor should be able in certain circumstances to indicate that perhaps an allegation that has been made against preferences or against unfair dealings and so on, to be able to say no and to be able to have that latitude statutorily. But as I say this is purely my own view, we don't take a political view on this matter, it is purely in answer to the point made by the Leader of the Opposition. On this matter I must necessarily be guided by the Attorney-General who has brought this up himself in the course of his duties in looking up matters in

the Constitution and it is not the first time that we have found certain practices being carried out as a result of statutory ordinances which in fact are provided for by the Constitution and we have come to this House to say that these things are dealt with by the Constitution, that is the mother of everything and there is no reason to duplicate by legislating for it.

HON J BOSSANO:

Mr Speaker, I take it that this Bill dealing with the Public Service Commission Ordinance is in fact a matter other than a defined domestic matter as provided for in Section 34 of the Constitution and that the references of the Chief Minister to say that he was expressing a personal view rather than a matter of Government policy is in that context.

HON CHIEF MINISTER:

It is because of that, I am not concerned at all about that. I speak here freely whether it is defined or non-defined. I was purely speaking as a lawyer in response to matters mentioned by the other side. If we have to take a political decision collectively, subject to the provision if it is a non-defined domestic matter, to it being cleared by Gibraltar Council, then I would take whatever view I thought proper and if I did not agree I would say so. I am not inhibited by that at all, I was purely speaking for myself because in respect of any strictly legal matter, unless it has a political connotation which annoys me or upsets me, or does not comply with the way I think I ought to do it, I have to leave it to the Attorney-General.

HON J BOSSANO:

Well, perhaps if I tell the Hon Member what is the political connotation that annoys me, I can persuade him to take a different stand on the matter:

MR SPEAKER:

The sole prerogative of appointing the Public Service Commission is vested in the Governor and it is an advisory body to advise the Government exclusively. Whether it is a non-defined domestic matter or not is irrelevant to the extent that it is the Governor's prerogative to appoint the Commission and to tell them what they can or cannot do.

HON J BOSSANO:

I know what you mean but I am not really thinking of the mechanics of how the Commission works. It is a point I raised when we were discussing the Immigration Control Ordinance because Immigration Control is clearly stated to be a matter for which Her Majesty's Government is responsible

and not the elected Government of Gibraltar and what I am trying to establish is whether this particular piece of legislation, since the Constitution under Section 34 provides two sets of machinery, really, and it says that where a matter is other than a defined domestic matter, then in fact the Governor has got to either introduce it over our heads, as it were, if he fails to get the support of the Ministers, or introduce it normally because it has the support of the Ministers. Therefore, it seems to me from my point of view, I want to know when we are dealing with a piece of legislation that seems to be in that grey area on which side of the fence it fits because it requires a political decision, I would have thought, as to whether one supports it or one does not support it.

HON CHIEF MINISTER:

I think the answer to that is that any piece of legislation which is not a defined domestic matter, which is a non-defined domestic matter, is tacitly agreed as being the policy of the whole of the Government, both the elected Government and the Governor, by clearing matters in Gibraltar Council so that insofar as the Bill is concerned the fact that it has gone to Gibraltar Council and has been approved in Gibraltar Council, that is really the placet of the Governor to say this will proceed but there is no restrictions on debate or anything, it is only a way of indicating that we are free to discuss, or rather we are free to deal with this matter ourselves and there has been no case in my experience where that has not been the case and if we have said "No", that there has been, certainly not since 1955, any indication, certainly not since 1972 from my experience, any indication that it will go anyhow.

MR SPEAKER:

May I perhaps intervene here and say that I most certainly received a communication from the Hon and Learned the Attorney-General in respect of this Bill and in respect of the Immigration Control (Amendment) Bill, 1982, which reads: "I am directed by His Excellency the Governor to signify his consent under Section 35(2) of the Constitution to the House of Assembly proceeding upon the following Bills, the said Bills in his opinion, acting in his discretion, relating to matters that are non-defined domestic matters". This referred to the Immigration Control (Amendment) Bill, 1982, and the Public Service Commission (Amendment) Bill, 1982, so in the opinion of the Governor this is a non-defined domestic matter.

HON CHIEF MINISTER:

Yes, but I must make it clear, Mr Speaker, that that looks terribly official and terribly colonialistic, if I may say so. That is in order to comply with the strict letter of the Constitution. No such formal decision has been taken other than the matter has been taken in the course of the business of Gibraltar Council and it has been agreed and therefore in order, and that of course is the green light to the Attorney-General to be able to say that that comes within the parameters of that, but let there be no question of the Governor sitting in judgement of whether he decides or not, he decides on the advice of the Gibraltar Council and I have never seen any attempt in Gibraltar Council in respect of legislation which is of general interest, the elected Members of Gibraltar Council in which incidentally there is a majority, being overruled.

HON MAJOR R J PELIZA:

I was just going to say that that was my experience in the 2½ years that I was Chief Minister.

HON J BOSSANO:

What I wanted to establish really, Mr Speaker, is what you have so kindly cleared up for me, that these two Bills are, in fact, the sort of Bills to which Sections 34 and 35 of the Constitution refer.

MR SPEAKER:

There is a difference between Section 35A and 35B. The right to decide whether a matter is a non-defined domestic matter or not is exclusively that of the Governor. The decision as to whether a matter is a revenue raising matter is the discretion of the person sitting as Speaker of the House of Assembly. I am just saying this by way of explaining the constitutional position.

HON J BOSSANO:

I am opposed to the Bill following that clarification because in fact, if this is an area which notwithstanding the fact that the machinery is one of consultation with Ministers, we are going to effectively take out the control to the extent that it exists of the House of Assembly and replace it by legislation by regulation, then it deprives Members on this side of the House from an opportunity of saying whether they agree or disagree with what is being dealt with by regulation and in fact of voting against it like we can when it is a piece of legislation. I prefer that we should retain the opportunity that we have today of debating even a matter which is not a defined domestic matter like we can under the

Public Service Commission Ordinance. It seems to me that other than possibly for the purpose of setting up the Public Service Commission, there is really no reason for retaining anything else if the argument is accepted that under the provision of the Constitution everything can be adequately catered for by regulation. Let me say that the last time we amended the Public Service Commission Ordinance I voted against some of the provisions because I thought that the way the definition of public office was being altered in the Ordinance effectively extended it beyond what most people would understand public officers under the control or subject to discipline, promotion and recruitment by the Public Service Commission to mean and although that has never been tested I think that if it is ever put to the test we shall have an opportunity to see whether the arguments that I put at the time were in fact correct. I was unable to persuade the Attorney-General at the time of the logic of the argument I was pursuing and the thing was altered. I argued then that by defining in the Ordinance public office as being employment under the Crown by reference to the Constitution, it effectively meant that everybody in the public sector automatically could be said to be covered by the provisions of the Public Service Commission Ordinance which in fact is not the way it works in practice, it was never intended to work like that in practice, and I do not think anybody has tested it but I think if it were tested it would be very difficult to stop the whole machinery of the Public Service Commission being jammed with all sorts of appeals and so on which are intended for the Civil Service and not for the entire public sector. That, to me, is something on which for example although my arguments failed, at least they are on record and the opportunity to debate it here was available whereas with Regulations all that happens is that the Regulations are made available, we have sight of them, but we do not vote on them in the House and we do not debate them in the House in the same way as we do the Ordinances. Therefore, I am opposed to these matters being taken out of the Ordinance and being substituted for by perhaps similar provisions but made by Regulation. On the specific matter that the Hon Attorney-General is providing for in Clause 9 which he says he feels should still be retained in the Ordinance, which the Hon and Learned Leader of the Opposition has raised some objections to, I have got objections, too, of a different nature. I do not think that there a public officer, for example, should be deprived of disclosing information or correspondence that has taken place between him and the Commission if he has to seek advice or help or he wants to challenge something. If a public officer has got a grievance and he wants to seek the advice of his Association or Trade Union or of a lawyer, I do not see how he can seek that advice without disclosing what has gone on between him and the Public Service Commission. I certainly do not think that as far as the list of people who may not disclose any communication is concerned, the fact that it includes a public officer could be, I do not know if that is the intention, but as far as I am concerned on the strict reading of the letter of the law as it is there, could be used to prevent somebody from airing a grievance that

he has by disclosing the nature of correspondence between himself and the Commission or Promotion Board or anything else and therefore on that count I have got a specific objection to that Clause.

HON ATTORNEY-GENERAL:

Can I just clarify the last point. Was it his concern that people who had had dealings with the Commission were precluded from disclosing to other people the outcome of those dealings as distinct from people who are either on or are servants of the Commission?

HON J BOSSANO:

The regulation of the behaviour of the people who compose the Commission is a matter for the Governor, really, since he is responsible for appointing the Commission to advise him, but I think when you have got correspondence between an individual officer and the Commission, then I think that individual officer should be free to disclose his part of the correspondence, what affects him, to somebody else because he may need to do that in order to obtain advice if he feels he is not getting fair treatment. I am not suggesting that that is the intention, what worries me is that that might be a possible interpretation put on it once the legislation is passed and that somebody could then find that in fact they are acting in contravention of the Ordinance simply by going to somebody, very much like the question of being in breach of the commitment of the Official Secrets Act. I am not suggesting that people should have the right to make things public or anything like that but disclosure, technically, I do not know what it means but presumably it means, just going to a third party and therefore I am not happy with that point.

HON ATTORNEY-GENERAL:

Mr Speaker, I must confess I originally saw this Bill as a rather technical drafting exercise but if I say so the debate has raised, I think, some very interesting points. Can I say at once, taking up from the last point, that if the Government is agreeable, I think there is a point to be looked at. That reproduces in the clearest style, in what I think is the clearest style, an existing provision in the law. I am not aware of any great pressure to necessarily have this measure passed now and it is a point I would rather like the opportunity to look at myself because I think that some precision is necessary.

HON CHIEF MINISTER:

I do not like these things to be taken quickly if there are points to be studied either by the Opposition or by the Attorney-General himself.

HON ATTORNEY-GENERAL:

It may be that as a matter of policy in the end it is worthwhile to keep that but I would like the opportunity to reflect on it and look at it myself. Still on the same provision, on the point whether or not it could be deleted and replaced by Crown privilege, I myself think that is a very major point. I take the point made by the Hon and Learned Leader of the Opposition. I would myself need before I could advise on it, to consider the present scope of Crown privilege, the standing of a body which is a statutory body, which advises the Governor and it is not the Governor himself, it may be that there are ramifications for Crown privilege there and there may be some need to have a special statutory system of privilege. I think it raises very far reaching matters and I would like the opportunity to consider that. The other points which I would like to speak about is the question of whether or not the House would be conceding something that has already been established if the matters which the Bill proposes to omit from the main Ordinance were omitted and transferred into the regulations. Can I simply stress that the regulations under the Constitution, and the Constitution already confers that power to make regulations, are limited to procedural matters and perhaps I can give an idea of the sort of matters that I mean by procedural matters, matters such as the appointment of a Secretary, the appointment of other officers to assist the Commission, I do not mean members of the Commission, the ability to delegate matters to a Board without foregoing responsibility, of course, with the decisions, and the taking of oaths when a person is admitted as a member of the Commission or a member of a Board of the Commission. It is totally in the procedural realm and, indeed, the relevant section in the Constitution, Section 74, makes that quite clear and so if Members do not see anything as being given away I would make two points. The first point is that the Constitution already enables regulations to be made dealing with procedure and all that will be going across into the regulations would be procedural matters and that is why the weightier matters such as Section 15 which obviously is a weighty matter and more than a matter of simple procedure, to stay in the Ordinance. All I would say on that is that I think, really, that nothing of any substance is being given away and I have to reiterate that the scheme which already exists enables procedural regulations to be made under the Constitution. But, overall, Mr Speaker, I dare say I found that these points are very thought provoking and I myself would prefer to see this Bill not to go through Committee until the next meeting of the House. Sir, I was forgetting I was replying, 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 ATTORNEY-GENERAL:

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.

MR SPEAKER:

I understand that the Hon and Learned Attorney-General has a statement to make on the next Bill, is that correct?

HON ATTORNEY-GENERAL:

Yes, there is a Bill on the Agenda, Mr Speaker, the Pensions (House of Assembly) (Amendment) Ordinance, 1982. I regret that there are still matters to be resolved in discussion between the Financial Secretary and myself and it has not been possible to have it ready so I would ask leave to withdraw it from the Agenda.

THE SUPPLEMENTARY APPROPRIATION (1982/83) (NO 3) ORDINANCE, 1982

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, 1983, 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 read a second time. The Bill seeks to appropriate, in accordance with Section 65(3) of the Constitution, a further sum of £475,185 out of the Consolidated Fund. The purposes for which this sum is required are set out in Part 1 of the Schedule and detailed in the Consolidated Fund Schedule of Supplementary Estimates (No 3) of 1982/83 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 £103,000 from the Improvement and Development Fund as set out in Schedule No 2 of 1982/83 and Part 2 of the Schedule. I would draw attention to a number of items. Firstly, the appropriation of funds to meet an increase of around 35% in the cost of imported water effective from April this year. Secondly, the need to carry out essential repairs following storm damage to the sheeting in the water catchments. Funds are also required to construct

a retaining wall in the same area. Lastly, and in a more general context, I should mention that following a review by the Secretariat of its financial commitments to the end of the financial year, additional funds are required across a range of sub-heads. Mr Speaker, I commend the Bill to the House.

MR SPEAKER:

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

There being no response Mr Speaker then put the question which was resolved in the affirmative and the Bill was read a second time.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

This was agreed to.

COMMITTEE STAGE

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that the House should resolve itself into Committee to consider the following Bills clause by clause: the Companies (Amendment) Bill, 1982; the Education (Amendment) Bill, 1982; the Trade Licensing (Amendment) (No 2) Bill, 1982; the Group Practice Medical Scheme (Amendment) Bill, 1982, and the Supplementary Appropriation (1982/83) Bill, 1982.

MR SPEAKER:

I understand that the Hon the Attorney-General has got amendments. I would be most grateful if these amendments, if they are available, should be made available to us not at the last moment as is being done now because as I have said many times in fairness to the Chair one has to accept and agree to the amendments and we are not given much time to consider whether the amendments are acceptable or not. Not that they are not going to be but if they are available there is no reason why we shouldn't have them at the proper time.

HON ATTORNEY-GENERAL:

Mr Speaker, Sir, I do apologise. In the Companies (Amendment) Bill there are amendments and they are substantive. There are very minor amendments on one or two other Bills but in this case they should have been presented to you earlier.

MR SPEAKER:

The First and Second Reading of the Companies (Amendment) Ordinance was taken at the previous meeting so there has been plenty of time for the amendments to have been circulated. However, I am just making a comment for the future.

THE COMPANIES (AMENDMENT) BILL, 1982

Clause 1

HON ATTORNEY-GENERAL:

Sir, I beg to move the following amendment in Clause 1, sub-clause (2): To omit "November, 1982" and to substitute "January, 1983".

Mr Speaker put the question in the terms of the Hon 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 and 3 were agreed to and stood part of the Bill.

Clause 4

HON ATTORNEY-GENERAL:

Sir, I beg to move in Clause 4, that it be amended by inserting after the words "amended by" in the first line, the word "repealing". This is a word that seems to have been dropped, it is purely a clerical error. Sir, I beg to move that Clause 4 be further amended by inserting in the Eighth Schedule in item 1(a) after the words "status of a company" the words ", that is to say, the fact of its being public or private or limited or unlimited". Sir, Hon Members will, I think, recall that when this Bill was introduced and read a second time a query was raised that the expression "change of status of a company" could be ambiguous, could lack clarity. This point has been considered and we feel that it ought to be defined so that there is no argument as to what it means and the purpose of the amendment I have just proposed, Sir, is to achieve this end. I move accordingly.

MR SPEAKER:

Perhaps since you are amending Clause 4 and you are amending the Schedule which forms part of Clause 4, you have other amendments, too, so I think we can take them all together because it is an amendment to the same Clause.

HON ATTORNEY-GENERAL:

I also beg to move, Sir, that Clause 4 be further amended in the Eighth Schedule in item 1(d) by omitting the expression "£10.00" and substituting the expression "£5.00". Speaking to this amendment, Sir, this is the item which prescribes the fee for lodging an annual term for a company and the proposal is to reduce it from the initial fee of £10.00 which we have in mind to half that amount, ie, to the fee of £5.00. And, finally, Sir, I beg to move that Clause 4 be further amended in the Eighth Schedule in item 1(f) by omitting the expression "£20.00" and substituting the expression "£2.00". This is the item which relates to the provision of a certified copy of a certificate and it should have been £2.00 at the outset, £20.00 was an oversight, Sir, I move accordingly.

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

HON P J ISOLA:

Mr Chairman, we have comments to make actually on most of the charges. The first one I am just a bit worried about. It says if you submit a change in the status of a company, that is to say, the fact that it has been public or private or limited or unlimited, you pay £25 and yet if there is incorporation registration or submission of any change in status of a company except from public limited to private limited or from limited to unlimited, if the state of the company is just the fact of being public or private or limited or unlimited, if you say a submission of any change in status, that is to say, public or private or limited or unlimited and then you put in brackets, "except from public limited to private or from limited to unlimited", is that not contradicting the change of status for which you have a charge of £25?

HON ATTORNEY-GENERAL:

I am not quite sure that I take the point that the Hon and Learned the Leader of the Opposition is making. As I see it, the amendment has this effect. The paragraph that is being amended has two propositions, the general one is that you pay a £25 fee for a change in status of the company and the issue is what we mean by a change of status. What is in brackets is a specific group of changes in status which the Bill provides for separately under 1(b) but the words I have inserted are really intended simply to clarify at the outset what we mean when we are talking about a change of status. A change of the status of being public or private or limited or unlimited.

HON P J ISOLA:

So if a public company becomes a private company it pays £25?

HON ATTORNEY-GENERAL:

That is the intention, Sir.

HON P J ISOLA:

Anyway, the other point I would like to say is that I notice the Eighth Schedule, item 1(f), was I think a misprint, certified copy of any paper we pay £2. The registration of a change of name to £20 and the search fee which to our way of thinking seems to be a little high, change of name £20 so be it, but the search fee is the one I think I would wish to propose that it be reduced to 50p. The reason I say that, Mr Chairman, is that there are a number of people who are regularly searching companies, not just one, it can be ten, it could be twenty, banks and lots of people, and I think it is unduly high. I think putting a search fee of £1 is a bit of a deterrent, let me put it that way, to people searching companies and it seems to me high for people who are asked to search companies. In other words, if a company search is being made by a firm of lawyers it is usually because somebody wants to know something about it outside Gibraltar, £1 does not matter but there is a body of people, laymen, accountants who are regularly making searches of companies in the ordinary course of business. It seems to me £1 is quite high in those circumstances. I do not know what the income from search is but I think to go from 5p to £1 is a big change, 5p was low, obviously, 5p was very low but to go from 5p to £1, I think £1 is very high for that particular item because, as I said, a lot of searches are made, a lot of individuals make searches and I think to put it up to £1 is almost a deterrent for people to search and I would move that that particular item be reduced to 50p, that the Hon and Learned Attorney-General's amendment be further amended by reducing the search fee from £1 to 50p. That is on that one. On the registration of a change of name, Mr Chairman, it seems to me there are different kinds of registration for a change of name. One is when a chap buys a company and then changes its name to an entirely new name and I suppose £20 then is fair enough. But there are people who have a name and they just change the name by putting Gibraltar in brackets or something like that, who pay the full fees for incorporation and shortly after incorporation they find they have got it wrong, and they should have put Gibraltar between brackets and they ask to change it, it seems to me a £20 fee there, considering the process is a very simple one, the charging of £20 seems to be very high. I am not going to move an amendment but I think it should be considered because I think that is high, but on the search fee is where I want to amend. I do not want to amend anything else. On the search fee, I think £1 is unduly high as such.

HON CHIEF MINISTER:

Mr Chairman, when these proposals were, in fact, before they were published as a Bill, as a result of an undertaking I gave to what is called the Finance Centre Group, which is a body of professional accountants, lawyers and so on who have been advising the Financial and Development Secretary in aspects of the Finance Centre part of the economy, they did raise the question of the fact that the logic of an annual return was too high at £10 and they suggested £5 and we agreed to that and that is why it has been reduced. The question of a certified copy, this is purely I think a printing error, we never intended it to be £20, we are not reducing it to £2, we are putting in what we intended. We have received no representations with regard to the search fee. That is a matter of judgement, really, and it has to have some relation to the amount of work that is involved by the people in the office of the Registrar of Companies who are well paid people, who have to go into the company's records, produce the particular company and attend on people and then provide people to get the information. This is exactly the same as a search fee is in the United Kingdom, £1. The search fee is £1 in the United Kingdom and that is why we have put it at £1. Normally, when the Leader of the Opposition spoke about lawyers being alright, well, as far as accountants are concerned they must be alright, they put it on to their expenses and I do not see why we should charge less than it is costing in the United Kingdom to make the search and I regret to say that I see no good reason except the question of opinion but as in fact the charges in England is £1 and some of the other charges here are being tailor made to the practice in England, except that in some cases it is a bit cheaper but in this case the amount is too small that I regret I cannot see my way to agreeing to this suggestion.

HON ATTORNEY-GENERAL:

In the case of a change of name, there is evidently quite a lot of work involved which is the reason for the higher fee.

HON CHIEF MINISTER:

There is a lot of work involved in the change of name.

HON P J ISOLA:

Well, I think that there is a lot of work involved in the change of name because we have an absolutely absurd procedure for it. If you want to change the name of a company, you ring up the Registrar of Companies and you ask if the name is available, a week later you are told that it is available and having been told it is available you then have to write to the Governor to get his consent to the change of a name. That is quite absurd because you do not have to write to the Governor to ask for a name for a company, you ask the Registrar. You write to the Governor and then the latter

goes round to the different departments in the Secretariat who are worried about somebody changing his name and then they write to the Supreme Court to enquire whether the name is available, the Registrar of Companies then writes back saying it is available having already told the people concerned and then three weeks later you get a letter from the Secretariat saying the Governor gives his consent to the change of name. Of course it is complicated, because the procedure is utterly absurd. In the United Kingdom the Registrar of Companies is the one who gives the consent.

HON CHIEF MINISTER:

You have to get, I think, the permission of the Board of Trade.

HON P J ISOLA:

No, no, the Registrar of Companies, it is in the Companies Act. It is the Registrar of Companies because he is the one who agrees it. That is why the procedure is absurd. For anybody to try and say that it is costly, of course it is costly. I was told once when I applied that the previous Deputy Governor insisted in actually signing the letter himself, authorising himself the change of name. Given the salary of the Deputy Governor, of course, they will be charging £50 for a change of name but the only man who is concerned with a change of name is the Registrar of Companies who has to ensure that it is not a name that is deceptive, is this, is the other and all the rest of it.

HON CHIEF MINISTER:

Whilst the thing is like that we shall leave it there but I am certainly prepared to look at that aspect of the matter and even though it may well be necessary, for some reason or other, the Registrar could be delegated by the Governor to do it at the same time as he does the change of name. I will look at that. I am quite happy to look at that.

HON P J ISOLA:

Mr Chairman, that is why I say £20 is too high because all that is involved in a change of name is a resolution of the company changing the name which is fine. That is all that is involved. Mr Chairman, on the search fee, I think I would like to move an amendment.

MR SPEAKER:

Let us deal first with the Hon the Attorney-General's amendments and you can then move another amendment, too.

Mr Speaker then put the question in the terms of the Hon the Attorney-General's amendments which was resolved in the affirmative and the amendments were accordingly passed.

MR SPEAKER:

Mr Isola, you wish to move?

HON P J ISOLA:

I beg to move that Clause 4 be further amended by the deletion in the Eighth Schedule, Item 1(e) Search fee of the figure of "£1" and the substitution of the figures "50p".

Mr Speaker put the question in the terms of the Hon P J Isola's amendment and on a vote being taken the following Hon Members voted in favour:

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

The following Hon Members voted against:

The Hon I Abecassis
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon E G Montado

The following Hon Member was absent from the Chamber:

The Hon A J Canepa

The amendment was accordingly defeated.

Clause 4, as amended, stood part of the Bill.

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

THE EDUCATION (AMENDMENT) BILL, 1982

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

Clause 2

HON A T LODDO:

Mr Chairman, on Clause 2(c) "such other requirements as may be prescribed". Mr Chairman, I have become aware of some of the requirements that will be required and we do not feel that these requirements in the case of the nursery schools or play groups are really necessary. For example, one of the requirements will be that there be one wash-hand basin per 15 children. These children are from the ages of 18 months to 4 years and children of that age are not able to wash their hands on their own properly. If we do not have this requirement for schools where children are 11, 12, 13 years old, I do not see it reasonable to expect nursery schools and play groups to provide wash-hand basins when the children themselves will not be able to wash their own hands. Similarly, we will be asking for toilets, one for 15. Again, when we are talking of children of 18 months, these children are too small to make use of a toilet. They have to use the conventional potty and I would think it is unreasonable to expect nurseries to provide rows of toilets which in fact will not be used because the children are too small to make use of them. Again some of the requirements are for quiet study areas. Mr Chairman, we are talking of 18 month old children. Quiet study areas would be reasonable in schools of higher education but for nursery schools and play groups to insist on quiet study areas, I think, is bordering on the absurd. Mr Chairman, there is another point that has been brought to our notice and that is that Government will be insisting on the division of these children into two age groups, from 18 months to 2½ years and from 2½ to 4½. At this very early stage I think it is quite unnecessary to split up these children into two age groups considering that in most cases these are not nursery schools in the recognised term but play groups. We will be voting against it.

MR SPEAKER:

Against the Clause itself?

HON A T LODDO:

Against the Clause.

HON P J ISOLA:

Mr Chairman, I would like to support my Hon Friend in what he has said and I would particularly like to take up the last point he made under which by a regulation of the Director of Education, nursery schools are being sub-divided into age groups. The system of education is being changed not by this House but by a directive of the Director of Education. It seems to me wrong in principle. Under the Education Ordinance education is compulsory from a particular age. Under that age,

it was known as nursery education and to make by regulation an educational change of such magnitude to me seems to be wrong in principle. I know some nurseries which comprise just one large room. To say now that you must have a separate room for a study area or to have a separate room for different age groups, is to put people running nursery businesses or nursery education centres for very modest fees, and I think all Members agree on that, put them out of business. This is a matter that should not be done by the Director of Education. It is a matter that should be done by the House on a statement of policy from the Minister which the House can or cannot approve but to do it in this way is quite unacceptable, certainly to my Party, and I would hope that it is also unacceptable to the Government side. I would ask the Government possibly to postpone this Committee Stage reading of the Bill to another meeting of the House and to allow the House to have a look at what exactly is going to happen.

MR SPEAKER:

Have the requirements that the Hon Mr Lodo has mentioned been published?

HON P J ISOLA:

No, my Hon Friend was in fact given the proposed regulations and the proposed letter that the Director was going to send or has sent to various nurseries and that is how my friend got it, he was shown one. I would ask the Minister to consider this because it does seem to me that it requires further thought and we would not like to give these sweeping powers as a result of this amendment.

HON ATTORNEY-GENERAL:

Sir, I am not sure in what way the Hon and Learned Leader of the Opposition sees this as being a departure from principle. Could he say what the proposals that he is referring to in the Regulations that he sees as being different from the principles laid down in the Ordinance? It seems to me to be a self-governing matter because, clearly, Regulations which do depart from the principle would be ultra vires and therefore the constraints are laid down by the Ordinance itself but I am not clear what he means by saying that it is in conflict with the Ordinance.

HON P J ISOLA:

The only point that I am making on this particular point is that under the Education Ordinance it sets out compulsory education. Then under the age of 5, I think 5 is the compulsory age although a lot of people can go if they are 5 during the year, they can go into school, I am not sure what the position is now. Under that it is nursery education.

That is a matter of private education. What I am saying goes outside the principles of the Ordinance and I would have thought outside the policy of education, generally, that by regulation the Director is going to tell a nursery school: "You are now going to sub-divide your children in your school into two groups". In other words, the person who takes in children at nursery stage, as toddlers as my friend has mentioned, and God forbid that we should start dividing them up. Enough educational damage is done, according to educationalists, with these constant divisions of children in different groups, that a matter as great as dividing them into groups in nursery schools should be done without any statement of policy on the matter from anybody but just by a regulation which says: "Such other requirement as may be prescribed". We object to that and we would ask that the Government defer consideration of this Bill until we have a statement of policy of how it is going to be done and we can possibly debate it or discuss it in the House.

HON ATTORNEY-GENERAL:

The Hon and Learned Member is therefore maintaining that there is a principle in the Ordinance which says that you cannot have a school which has both primary pupils and nursery pupils.

HON P J ISOLA:

But it doesn't have any primary, primary education starts when you join the Government school at the age of five or four, that is when it starts, before that it is nursery education.

HON ATTORNEY-GENERAL:

If there is a principle in the Education Ordinance, Mr Chairman, that you cannot have nursery pupils and older pupils in the same building or the same premises, then obviously regulations could not derogate from that but as I understand the proposals, the regulations are not saying that. I am not satisfied at all that there is any such principle. What the regulations are trying to do, I think, is to say that they recognise the fact that there are places where you have both nursery pupils and older pupils and to say that in those cases part of the premises will be treated as a nursery school.

HON P J ISOLA:

All nurseries have the full age range prior to going to school. Very few kiddies are sent at eighteen months to school, it is an exception. I would have thought that a nursery establishment would not be viable if you have got to divide the eighteen months to 2½ years from the 2½ years to 4.

HON A T LODDO:

Mr Chairman, if I may clarify. What has happened is that the nursery or play group teacher has been informed that the nursery play group will be registered, one of the conditions is that only one specified age group may be taken for, eighteen months to 2½ years or 2½ years to 4½ years. This, to me, seems a bit ridiculous. Why are you trying to divide these children within a play group area? It seems absurd to have to have two types of play group when what we are talking about are children between the ages of eighteen months and 4½ years.

HON MAJOR R J PELIZA:

Mr Chairman, I wonder if the Minister could explain if he has really looked at this matter thoroughly and if he has investigated to what extent it will affect the existing nurseries, whether a number of them will have to close if the regulations are implemented, whether the cost of taking the children there will increase, what will be the effect, not purely on the educational side, the effect on the parents who rely on this nursery to be able to take their children, to be able to work or be able to release the mother from the work at home which before, perhaps, they could do with servants and now they cannot, they have got to take them to the nursery. If he has studied all this through perhaps he could tell us whether he has made enquiries from the nurseries as to how many of them can comply with this without putting up the fee, without having to close down or is this being done off the cuff? I would like the Minister to say whether he has really made a survey on this matter.

HON CHIEF MINISTER:

I do not recall, Mr Chairman, whether the Hon and Gallant Member was here when this matter was discussed last time but it was certainly no question of off the cuff, it was an indication that a thorough investigation had been made and people were being given time. My understanding of the situation purely, not being concerned directly on the matter, was at the most, first of all, to keep up minimum standards particularly of toilets and so on. I think the most that could happen in most cases are that they might have to reduce the number of children in a play group because the provisions were not adequate for the number of children provided. I do not think that that should be an impediment, in fact, it should be welcomed to some extent because the standard of the children will be better. These are purely play groups and nurseries which are of great use for the children to get used to being with other children and to the parents in having them parked in the mornings. With regard to the other matter about the division, I am sorry I was out on other business and I do not know why the point about the division of the children into ages was raised, is that because there is enabling power in the Bill on the question of the division of ages?

MR SPEAKER:

What the Opposition is objecting to is the fact that this is going to be done by regulation and the sole arbiter is the Director of Education and not the House.

HON CHIEF MINISTER:

I have the draft print of the regulations here and there is no division of any ages within the groups of nurseries.

HON A T LODDO:

If the Hon Member will give way. I have in fact with me a copy of the letter to one of the nurseries where they are told specifically: "Registration as Nursery Playing Groups. Note that your nursery play group will be registered conditional on the following - Item 3: One specified age group to be catered for only, eg eighteen months to 2½ years or 2½ years to 4½ years". In this case this is adding further burden to this nursery school or play group because by limiting them to a certain age group it means that they have to further come down on the numbers that they can take even if, for example, they are allowed, because of the size of the premises, to take 30 children, by asking them to limit it to one age group it would be bringing it down to 15, for example, in which case they would have to double their fee and the whole thing is counter-productive.

HON CHIEF MINISTER:

What is the date of that letter?

HON A T LODDO:

The date of that letter, Sir, is 28th October, 1982.

HON CHIEF MINISTER:

On the strength of the rules that I have seen here and subject to the concurrence of my Minister for Education, there will be until otherwise decided and discussed here, no difference in age groups for the time being.

HON MAJOR R J DELLIPIANI:

Mr Chairman, all I am seeking for at this present moment is the enabling powers to carry on with the Bill. We have consulted all the nurseries concerned and we gave them till the 30th November to submit their views on the regulations as we wanted them to be presented. We have just managed to collate the views of all the nurseries that have replied, we have written to the Attorney-General, all I am asking is for enabling powers and I will bring the regulations and it will

be consulted in the House. All I am asking is the enabling powers to carry on with the regulations because I already have information from the nurseries as to the objections that they have raised and may I say they have not been very substantive, they have been very minimal and I have the evidence in writing. I have also received oral representations from the Hon Member, Mr Bossano, which we have also tried to collate for the regulations and all I am asking is for the enabling powers and I am assuring Members opposite that I will not force these regulations onto people until all the evidence has been presented and I will bring it to the House.

MR SPEAKER:

As far as the House is concerned you will lay them on the table, I imagine.

HON MAJOR F J DELLIPIANI:

That is right. All I want is the enabling powers to carry on with the regulations.

HON CHIEF MINISTER:

There is a slight difference there, Sir, because regulations which are laid in the House are already made and they may be discussed but in this case, exceptionally, perhaps having regard to the procedure, the draft regulations will be sent to the Member opposite whose shadow is Education for him to make any remarks he likes.

HON J BOSSANO:

I am against the regulations. I thought I had, in fact, gone to great lengths in dealing with the general principles of the Bill, to persuade Members that we were talking completely at cross purposes in this House on this piece of legislation. It seems that I failed to do that because all the arguments that have been going on today disregards in its entirety all the points I made on the general principles in the Second Reading and therefore, if you will give me your leave, in opposing this section I would like perhaps to make reference to the principal Ordinance to show that I think I am correct in my understanding of the situation and that in fact it is totally meaningless, everything that has been said up till now in this House is totally meaningless, Mr Chairman. This amendment moved by the Attorney-General I think should be opposed on a very specific point. Here we have a situation where under Section 31, Part V of the Ordinance, we talk about independent schools and it says already in what is already there which is I think what we should be looking at if we are amending something. What is it that we are amending? We are amending a piece of legislation that says: "The school premises shall be suitable for a school". Therefore all these play groups are out on the first section, they

are not suitable for schools. "(2) They shall be adequate and suitable having regard to the number, ages and sex of the pupils to be accommodated therein". Irrespective of the assurance sought by the Members of the Opposition and given by the Hon and Learned Chief Minister, that assurance cannot be done without contravening the Ordinance. There is a requirement to lay down the sex and ages of the pupils in schools, which is what we are talking about, which is the Ordinance we are amending. "Efficient and suitable instruction shall be provided in the schools. Every person engaged in teaching shall be of a suitable character, educational qualifications and training". All these people are disqualified by all those definitions so we are now adding a clause where in addition to (a), (b), (c), (d), (e) and (f) none of which is being complied with, any other requirement may be introduced and those other requirements, by the way, Mr Chairman, are in addition to the 52 requirements already existing under Section 82(1) of the Ordinance. So we have got 5 requirements which have been totally ignored today, 52 requirements which are equally being ignored today and we are now seeking permissive powers to add any other requirements which presumably people are going to be asked to comply with. It is total nonsense, the whole amending Ordinance is nonsense, Mr Chairman, and the whole debate has been nonsense because we have been discussing here how one should in fact introduce a measure of control over play groups which are private enterprise where the main responsibility lies with the parent who sends the child there, to ensure that certain minimum standards are required. That is already in existence under the rules made by the department that gives total discretion to the department to interpret what is the minimum standard because the existing rules say: "Washing and sanitary accommodation for children in every nursery school and nursery class. There shall be provided sufficient and suitable washing and sanitary accommodation". Therefore, with the powers they have got today, without any change of legislation, they can come along and say: "We want one toilet for 15 or one toilet for 5 or one toilet for 20". In fact, the only thing that the proposed regulation does is that in interpreting what is suitable they cannot ask for one toilet for 14 they have to say one for 15, that is the only thing we are doing and in talking about matters of principle there is absolute discretion already in the system of operation and there is, in my submission, an incorrect use of Part 5 of the Education Ordinance for a totally unrelated purpose and by virtue of the fact that it is a totally unrelated purpose none of the requirements are being complied with. I really think what we are talking about here which has nothing to do with what has been said so far is where in addition to the 52 requirements plus the 5 requirements under Section 31, there should be any other requirements which must stretch the imagination of the Director of Education to its absolute limit given all the things he has already legislated, any other requirements that they may introduce in controlling private schools to provide for independent education which I am opposed to in principle, my party is opposed to in principle and which we objected to in the principle of the

Bill and we are objecting to it here because we think that education is the responsibility of the state and we think that the child minding and child caring function of private nurseries is a matter for the parents and the person running the nurseries although we accept that it is desirable that things like fire standards and that certain minimum standards can be laid down as guidelines and that the people concerned in fact with whom I have had a number of meetings and who have asked me to make representations on their behalf to the Government are not adverse to that but they are certainly adverse to being considered independent schools and that is certainly unacceptable to the Government teachers and it is certainly unacceptable to the people who are employed in Government nursery schools because they are two different things. The Hon Mr Loddo told some of these ladies who went to see him that I was against private nurseries and I think if he said that he obviously did not understand the argument, I do not know whether he was being correctly reported.

HON A T LODDO:

If the Hon Member will give way. What I told these ladies was that the Hon Member was in favour of state-run nurseries because the Hon Member made the point that it has been proved that educationally children who go to nurseries have an advantage over those who do not and that because the working class parent could not afford to send his children to a nursery the children of better-off parents who could go to nurseries would therefore have an unfair advantage over the others and that the Hon Member felt that if nursery education was taken over by the State it would be the ideal solution, not the other way round.

HON J BOSSANO:

Mr Chairman, obviously I am still failing to get across the point that I am talking about nursery schools, nursery education, where there is an educational input, and nurseries for eighteen months old. I am not suggesting that the State education system should start at the cradle, that is not what I am suggesting. What I am saying is that if you are going to have pre-school education, an entry nursery unit in a school, then I do not see where people are going to be educated, I do not see how you can say if your parents are working the State will educate you free of charge, if your parents are not working then you have to be privately educated, and that is the situation. The child-minding function provided for the children of working parents was precisely to release married women from work, it has nothing to do with education. The educational function which I support which is the nursery education system, would not start at eighteen months, it would be a question of what is being done now which I support, which is having in primary schools what is known as nursery units where in fact the educational input is coordinated with what the children are going to be taught when they start in their first year and there is an enormous advantage and I think that

should be applied to everybody. That does not mean that below that there should be nothing or that the Government nursery education system should start as soon as the child utters his first words and therefore I can only insist, Mr Chairman, that we are debating in this House something which has got nothing at all to do with the Ordinance before the House which seeks to amend an existing Ordinance which by definition is being totally flouted if we are saying that all these conditions plus the new ones apply to private child-minding nurseries which do not provide education, which do not employ qualified teachers and which therefore are in contravention already of the provisions of Section 31 and therefore I suggest the best thing the Government can do with its Ordinance is not to delay it but to withdraw it.

HON ATTORNEY-GENERAL:

Mr Chairman, we may have talked to other points this morning through some misunderstanding, I agree, but I entirely disagree with the greatest respect to the Hon Mr Bossano, that what is being done here is purposeless or unnecessary. Part 5 of the Education Ordinance deals with independent schools and Part 5 says that you cannot have such a school unless you get approval to establish it and then it spells out conditions on which the Director of Education may not grant approval unless he is satisfied with the things and it spells out the things and there are six of them. The whole purpose of this Bill is to say that there are further things that he has to be satisfied about before he can grant approval for a school and those further things are not things that he makes up himself, they are things which are laid down by regulations made by the Governor because the word prescribed does not mean prescribed by the Director of Education it means prescribed by regulations and coming to Section 83 that is not exclusively something that has got nothing to do with private schools, that is in the general part of the Ordinance as a general regulation making power that if the Hon Member cares to look, the last sub-paragraph in regulation 1 says: "Prescribing anything which is by this Ordinance required or authorised to be prescribed". The whole point of adding a paragraph to regulation 31(3) is to link up so that in addition to the qualifications that are actually set out in the Ordinance, we can make regulations adding further qualifications and that is why I was confused this morning because I do not see how this can conflict in any way with the Ordinance itself, it is something we are doing pursuant to the Ordinance but obviously every relevant qualification cannot be spelt out in detail in the Ordinance, that is why we have regulations.

HON J BOSSANO:

Could the Hon Member give me a specific answer to a specific question and then perhaps it will prove my point conclusively once and for all? Is it not the case that under the proposed Nursery School Regulations which he wishes to make under the discretionary powers he is asking the House to give him, it

says: "Nursery school means an independent school which is used mainly for the purpose of providing education for nursery pupils". If that is the case would it not be possible for anybody to refuse to register on the basis that he is not providing education for nursery pupils, he is just looking after them because by definition it would not be a nursery school and that is already being controlled under the Education Ordinance which is passed to control schools and nothing else, where people are educated not looked after. In UK people who are in child-minding establishments are not covered by the educational authority they are covered by the Social Services.

MR SPEAKER:

And they are known as Kindergardens.

HON CHIEF MINISTER:

Mr Chairman, I speak with some authority on this as a young father of young children. It is not to say that nurseries are not schools in any way. Private nurseries do provide an element of preparation for going into schools, they do that. They are not just play groups, they are called play groups for the younger ones, teaching is not the whole basis of their time but they do come out of those private nurseries with knowledge of numbers, of the alphabet, which in other systems of education are not now favoured to be known because they think in terms of sounds rather than on words but they do get a certain amount of, I would put it at the lowest, primary educational instruction. They are not there purely to have the children parked there and play. They do get instructions as to colours, they are taught how to draw, to make pictures and so on, according to their age, of course, you do not do that with an 18 months child. They do give an element of primary instruction and therefore, whether you can call it a school nursery or a nursery, or a nursery for under 4½, it is a matter of definition. They may not get the same kind of institutional instruction that the nursery section of the Government schools, the limited ones we have, have. That is a different matter, but the nurseries are nurseries up to the age of entry into schools where instruction is given of some kind, of alphabet, numbers, colours and many other similar matters that can be assimilated by a child up to 4½ years old.

HON J BOSSANO:

That is totally irrelevant. I am not disputing the benefits. One can argue that if you have children playing together they gain social skills and that is part of the social education. That is irrelevant. There is a definition that says: "A nursery school means an independent school which is used mainly for the purpose of providing education for nursery pupils". I am asking, on that basis, if tomorrow I start a private nursery and I am asked to register and I say I refuse to register because in my case I am not running an independent school used

mainly for the purpose of providing education for nursery pupils, that is not what I am doing, therefore this does not apply to me. Does that mean that everything that we have said here is irrelevant and that people can simply get out of all the clauses by saying that they are not providing education, that that is not their main purpose? Because if it is their main purpose then they are independent schools as defined in Section 31 and there it is not just the new Clause G, surely, that applies, it is the whole of Section 31 and therefore the Government has got a responsibility before it licences to say the school premises shall be suitable for a school. Well, how can they say that a room in a flat in Varyl Begg is suitable for a school? That is being contravened if Section 31 applies to that room. It is a question of perfect, plain English and either I am blind or nobody else wants to look at it that way, Mr Chairman. To me it is perfectly clear, what the law says.

HON CHIEF MINISTER:

May I just make a point that I was not dealing with Section 32, the contents of which I have not got before me. I was dealing purely on the question of the definition of nursery schools and I am sure that the bulk of the people who run nurseries would not try to get out of it by saying that they do not teach by having a nursery in order to flout these regulations because very quickly, if that were the case and that was a loophole, that would be closed. I think all the people who have nurseries for children up to 4½ until they go into our schools, do accept that they have an element of instruction, do not want to get out of the strict interpretation that the Hon Member is giving in order not to comply with the Regulations, very much the opposite. From the information that has been received by the Minister it is quite clear that they are all anxious to comply. Perhaps we are such law abiding citizens that they do not look for loopholes as the Hon Member is suggesting that that is a way of getting out of the Regulations.

HON J BOSSANO:

Mr Chairman, I am not suggesting that these people are going to look for loopholes. I am making a specific example in order to prove a point. I am asking if my interpretation of the law is correct because that is the basis on which I am opposing this legislation. And I am asking specifically am I correct in saying that if you define a nursery school as an independent school which is used mainly for the purpose of providing education, then anybody is free to set up a nursery that is not a nursery school by definition because it is not set up mainly for the purpose of providing education. Is that correct or not correct in terms of interpreting what the law says?

HON ATTORNEY-GENERAL:

My own view, and this is a view, is that if you can in effect show that the place that you let children play in has no instructional value whatsoever, or educational value whatsoever, then yes, you may be outside the scope of the Ordinance. But I make another point in that case the House has never addressed that question. But, with respect, I agree with the Hon and Learned Chief Minister as I am sure the great bulk of places where children go to which are commonly known as nursery schools or nurseries, can be shown to have an element of educational value about them and therefore to bring themselves under the control of the Ordinance.

HON J BOSSANO:

I see. So therefore the Hon and Learned Attorney-General is telling me that in applying the registration of private nurseries it will have to comply with Section 31, which is the only thing that there is, and therefore the Director shall not grant approval for the establishment or conduct of an independent school which he says is a place where the definition is a totally negative one, that is that in order not to qualify as an independent school you have to show that there is absolutely no educational value, irrespective of whether there is any instruction taking place and that therefore they will have to satisfy the following requirements. The schools premises shall be suitable for a school, the premises shall be adequate and suitable having regard to the number, ages and sex of pupils to be accommodated therein. Efficient and suitable instruction shall be provided. It is not a question of getting educational benefit, it says specifically in the law, efficient and suitable instruction shall be provided in a school and he said that this is a school under Section 31. That is what the law says, Mr Chairman, and it is available for anybody to read. Is he telling me that people who register under these proposed nursery regulations will not be required to comply with the law as the law states because in this amendment, Mr Chairman, he is saying by adding the paragraph (f) the word "and". So if he is adding to the paragraph (f) the word "and", it means that they have to comply with (g) which he is introducing now, and with (a), (b), (c), (d) and (f) which I am quoting, or am I wrong in the way I read the law because I am not a lawyer, Mr Chairman. I accept I am not a lawyer and I prefer to be corrected as we are so well endowed with legal minds in this Chamber.

HON MAJOR F J DELLIPIANI:

I am not going to get into technicalities and the legal things of what the amendment should be or not. I am going to go on the practical side of things. What is intended with this Ordinance is, and I quote the word, we were talking of independent schools, just independent schools, because that is what the Ordinance is covering. We are talking about private schools. It specifically says in this Ordinance

nursery school regulations. This is the Ordinance I am trying to introduce. I am not talking about schools. I am talking of nursery schools and I am putting an adjective to that school. It is no longer a school in the sense of a school as a layman knows it. We are talking of a nursery school. All we are trying to do is to protect the consumer by laying some minimum standards. We have written to all the nurseries concerned. They have written back with some suggestions as to the law. In general they agree with the standards that we have set up. All I am asking for, and I do not care how we do that, is that we have the powers to provide the regulations in consultation with the people concerned and they have already submitted their suggestions and objections to enable us to get on with the regulations so that we protect not only the schools but themselves, too, so that they have the minimum fire standard requirements, the health requirements, etc, etc, and to give us the enabling powers to make sure that they have it. But we are not asking them to have qualified teachers, etc, etc. To me it is a red herring, with all due respect. I am not a lawyer, I am less of a lawyer than he is. I do not know the technicalities. I am talking of a real Ordinance that I have brought here, it does not mention all the other Ordinances, it mentions specific health requirements and fire requirements and that is the Ordinance before the House.

HON J BOSSANO:

No, Mr Chairman, with all respect to the Hon Member. He is talking about regulations that the House has not seen. He has not brought an Ordinance here that mentions nurseries at all. We are discussing an amendment to Section 31 of the Education Ordinance. If he does not know the law, he ought to, he has been in this House long enough. What is the power that he is seeking under the amendment he is trying to get us to vote in this House? He is asking for my vote to something and he has got to understand what it is he is asking my vote for. If he does not understand it then he should not ask for it. What power is it that he does not have today under the rules for standards for nursery school premises, 1965? What is it he wants to do that he cannot do at present with these rules? Can he answer me that question, or does he not know what the rules say?

HON MAJOR F J DELLIPIANI:

This Ordinance is actually specifying things.

HON J BOSSANO:

And does not the present rule say that every nursery shall be provided with sufficient and suitable washing and sanitary accommodation and doesn't that give him the power. If he wants to, to say everything he is saying in the regulations because it is totally discretionary. What is suitable and sufficient is determined by the Department. I think this is preferable

and that point of view has already been put to the Department, that it is preferable to have a discretionary power rather than a rigid one because in one particular area, in one particular circumstance, one toilet might be suitable for 20 and sufficient depending on the age and the locality and all sorts of things, in other areas it might not be. So you should not have a rigid one for 15. The power he has today is totally sufficient for him to do what he wants to do. The amendment that he is seeking to the Ordinance has got nothing to do with what he says he wants to do, Mr Chairman, but what we are debating in this House is not what is in his mind but what is on the floor of the House and that is what I am speaking to. And I still submit, Mr Chairman, that everything that we have been discussing about nursery schools and nurseries is irrelevant to the amendment of Section 31 of Part 5 of the Education Ordinance which specifically talks about independent schools, an approval for opening of independent schools. I think that is the issue we have to vote for and I am suggesting to the Hon Attorney-General that this Ordinance which he wants to amend has nothing to do with what the Minister for Education says he wants to do and I am saying to the Minister for Education that what he wants to do, in my judgement, he can do already with the existing rules.

MR SPEAKER:

I think the point has been laboured long enough and we must bring the debate on this particular Clause to an end unless there is any other contributor who wishes to add something of value.

On a vote being taken on Clause 2 the following Hon Members voted in favour:

The Hon I Abecasis
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 E G Montado

The following Hon Members voted against:

The Hon J Bossano
The Hon A J Haynes
The Hon P J Isola
The Hon A T Lodo
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 A J Canepa

Clause 2 stood part of the Bill.

Clauses 3 to 5 were agreed to and stood part of the Bill.

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

The House recessed at 1.10 pm.

The House resumed at 3.30 pm.

THE TRADE LICENSING (AMENDMENT) (NO 2) BILL, 1982

Clause 1

HON ATTORNEY-GENERAL:

Sir, I move that Clause 1 be amended by omitting sub-clause (2) as this sub-clause is no longer required.

Mr Speaker then put the question in the terms of the Hon the Attorney-General's amendment which was resolved in the affirmative and Clause 1, as amended, was agreed to and stood part of the Bill.

HON G T RESTANO:

May I ask, Mr Chairman, when will the Bill come into effect?

HON ATTORNEY-GENERAL:

As soon as it is passed and assented to.

Clause 2

HON G T RESTANO:

Mr Chairman, during the course of the general debate I made a point which I believe was agreed to by Members of the Government, and that was that the import licence should be related to the trade licence held by the traders concerned. May I ask how this is going to be incorporated into the Bill?

HON ATTORNEY-GENERAL:

First of all let me say I do not think it would be appropriate to include actually in a trade licensing measure provision for an import licence as such, I think import licensing and trade licensing are two separate things. I must say I understood the point of the Hon Member's concern to be that if a trader has his trading licence and also by virtue of the new provisions is to get a licence to cover the act of importing that it could all be subsumed under one head, which it can, I am quite happy that it can, so there would not be the inconvenience of holding several licences, but I do not think it is possible in this Ordinance to have a concept of import licence as such. I do not think it is necessary, actually.

HON G T RESTANO:

Well, as I understand it, Mr Chairman, whoever wants to import any goods into Gibraltar will have to, under the amendment in this Bill, will need to apply for an import licence. This is a sub-clause in the trade licence which also means the importing of any goods into Gibraltar in commercial quantities. The point that I am asking is that somebody might be dealing, I think the example I gave at the Second Reading was that somebody might have a trade licence to be a wholesaler or a retailer in foodstuffs and then apply under this amendment to import radios without having in his trade licence the possibility of either selling radios by wholesale or retail and I think that one should be related to the other.

HON CHIEF MINISTER:

In the absence of my Hon Colleague the Minister for Trade who is unwell and may not be able to come unless it is absolutely necessary, I will try and give my understanding of the situation. This is a new concept, that is to say, to be an importer of commercial goods, a wholesale importer, you must have a licence. You may be dealing with cage birds or meccanos but if you want to import wholesale television sets you have to go as if you wanted to start a shop of electronic goods to get a licence, to the Trade Licensing Committee. You get it and then you are an importer or whatever you have applied for and you get it. To get it you will have to go through the same procedure as you do now, you have to announce and give notice so that people can object. What I think was mentioned was that the people who sell goods of a nature are more likely to get the import licence to import than wholesale than for them to get a licence to import wholesale other goods. There could be people who would only be interested in importing wholesale and not in selling and they may not be in the business, that is a new business as anybody who announces he wants to apply to open a shop of any kind. Import licence means a trade licence to import, it is not an import licence, if you need an import licence under another law is a different matter. What the Hon and Learned

Attorney-General was saying which is something that I can understand, was that for convenience sake if you have got a licence to trade in electrodomestics and you have applied for a wholesale licence to import electrodomestics that your licence would cover both as a matter of convenience, you would not have two licences, but that would be that you have obtained them separately and we all know why this is being done and that is to avoid people coming, if and when, overland bringing quantities of goods for which they might not be possible to be stopped unless you could say you cannot import goods because you are not an importer or a wholesale dealer in those goods.

HON G T RESTANO:

How would commission agents be affected by this amendment?

HON CHIEF MINISTER:

They do not import goods, they commission goods.

HON G T RESTANO:

I believe in some cases that does happen, in other cases they do import for their own account and then redistribute the goods that they have imported.

HON CHIEF MINISTER:

Well, one of the things that was done even back in 1972 when we passed the Trade Licensing Ordinance was that anybody who was dealing with this had got three months in which to register and get his licence.

HON W T SCOTT:

I did bring up in the general principles of the Bill the question of building contractors undertaking Government projects where goods are allowed to be imported duty free and become the property of the Government at the time of importation and the understanding I had was that Government would be investigating this and I wonder in fact whether they thought about this and whether in fact this particular Bill has any influence on building contractors in the sense that I have been talking about.

HON ATTORNEY-GENERAL:

I do not think it does for two reasons. If the Hon Member will look at the term "commercial quantities" by itself, I do not think that is an apt term but if I may say so, even without its re-sale I do not think commercial quantities is an apt description to describe what happens when a building contractor brings things into Gibraltar because he is really bringing in material to use on a job and the words commercial quantities to me has an implication of dealing.

HON W T SCOTT:

A builder building something under contract for the receipt of money is a commercial enterprise and it is a commercial operation and it is made for gain and it is made for profit.

HON ATTORNEY-GENERAL:

It is not so much that it is a commercial operation but commercial quantity. In fact, I think the "commercial" is not apt and I do not think that that situation is a situation in which one is talking about commercial quantities but in any event I think in these cases where a building contractor brings something in for the Government he is really acting as the agent of the Government and the consignment is for the benefit of the Government. I wouldn't myself advise that it is caught by the definition.

HON W T SCOTT:

I am mentioning this, Mr Chairman, because it is as far as I am concerned a little bit of an unclear area because the goods are not consigned to the Government, they are consigned to the individual contractor who presumably does the importing on his own behalf after having secured the necessary duty exemption from the relevant Government Department.

HON ATTORNEY-GENERAL:

I am content that it is alright.

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

Clause 5

HON ATTORNEY-GENERAL:

I would like to mention the question of the scope of Clause 5 which was the subject of discussion at the Second Reading. I have looked at it and I am quite satisfied myself that it does achieve what we mean it to achieve and that is this; Clause 2 of the Bill comes into operation when the Bill commences and that lays down a general proposition and the proposition it lays down is to widen the term "trade" to include importing in commercial quantities and thereafter once the Bill becomes law if it is enacted and once it becomes law, anybody who is such an importer, a person engaged in importing things in commercial quantities, will be a trader and he will require a licence. I think that is quite unequivocal and he will require it by virtue of that very act of importing in commercial quantities, I am sorry, and the licence he will require will have to specifically authorise him to import or go further than that, it will have to show what sort of goods he can import. That will be found in Section 3(1)(b) of the principal act and that is the general rule which is being

brought in. Clause 5 to which discussion was addressed, is a special transitional law and it is intended to cover persons who are actually carrying on the business of importing and it is intended to enable them to continue to do so providing they apply within three months. There are only one group of people who will be able to benefit from this and they are the people who can show that immediately before the Bill comes into force they were in fact importing goods, not trading otherwise, but actually importing. The operative words, I think, and I would just like to say that even though the Hon Member is not present, Mr Chairman, the operative words are to be found in Section 5 and they are: "whereby reason of the amendment affected by this Ordinance" - I am paraphrasing it - "a person would be required from the commencement of this section to have a licence to carry on any trade that he does not previously require a licence for and the very thing is importing". Previously before this comes into force he does not have to have a licence for importing but once it comes into force this is the very amendment that is being made to the principal Ordinance and he must have a licence for importing and that is all it relates to and in no circumstances, as I say, if he can show that he was importing immediately before the Ordinance, then he is entitled as of right to apply for and get a licence to go on doing so but I do not agree, with respect, that it enables people who were not importing immediately prior to commencement to get in on the transitional provision. I looked at it and I cannot agree that that is correct.

HON G T RESTANO:

Will a charge be made for the application?

HON ATTORNEY-GENERAL:

Yes, it will. He will be entitled to the licence and as long as he applies within three months he will be deemed to be licenced. He will continue to be deemed to be licenced whilst his application is being processed and he must be given a licence but he also has to pay the annual licensing fee.

HON G T RESTANO:

I mean a person who is already importing and has a trading licence to wholesale and who is importing whatever type of goods it is, when he applies to import and to have that import principle included in his licence, will he have to pay an extra fee?

HON ATTORNEY-GENERAL:

He will have to pay the appropriate fee for getting a licence. He is entitled to get the licence but he must also pay for it.

HON G T RESTANO:

He has already a trading licence, I am talking about the import licence or the licence to import. Will a further charge be made on the licence to import?

HON ATTORNEY-GENERAL:

Yes.

HON G T RESTANO:

How much will that be?

HON MAJOR R J PELIZA:

I understood the Chief Minister said that it was just one fee.

HON M K FEATHERSTONE:

If one applies for a trade licence to be extended, there is no charge for the extension.

HON G T RESTANO:

I am sorry, I must contradict the Minister, there is.

HON CHIEF MINISTER:

You pay for a licence which is £3 a year or £1 a year.

MR SPEAKER:

There is most certainly a charge for an amendment to a licence.

HON ATTORNEY-GENERAL:

Mr Chairman, in saying that they could be subsumed under one licence that was thought reasonable and convenient, that does not carry with it the implication that there could be no charge for the extra bit. All I was talking about was the convenience of having one authority under a single bit of paper, as it were, but there would still have to be an application and the appropriate fee would be payable on application.

HON G T RESTANO:

But I am asking what that appropriate fee will be because a person who has a trade licence, has had that trade licence and pays a renewal fee every year and what I am asking is whether to apply for a licence to import will be a further charge on the trader and whether it will be a one off charge or an annual charge and what that charge will be?

HON ATTORNEY-GENERAL:

I cannot tell you what the charge will be, I will have to look it up, but it will be a charge that has to be paid and thereafter whatever licence the person ends up with in totality would have to be paid for each year under the renewal.

HON W T SCOTT:

I do not know, in fact, whether it would fall under this clause or generally but the thought struck me whether a person or a group of people or a company might be undertaking a business for which as the law stands at the moment no licence is required because of the introduction of a licence for importing goods that that person or group or business uses in the course of his business, that that company or group or that individual would now require a licence.

HON CHIEF MINISTER:

The essence of this is that we must make it applicable to everybody otherwise it is completely repugnant to the European treaty.

HON A J HAYNES:

Mr Chairman, how does this affect commission agents in Gibraltar?

HON CHIEF MINISTER:

We have already had that one answered.

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

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

THE TRAFFIC (AMENDMENT) (NO 2) BILL, 1982

Clauses 1 to 4 were agreed to and stood part of the Bill.

Clause 5

HON M K FEATHERSTONE:

I would like to mention one small point, Sir. It has been mentioned that Gibraltar licences will not be automatically exchangeable in the UK for a UK licence but I would inform you that the FCO is already taking it up on Gibraltar's behalf with the relevant authorities that a Gibraltar licence can be exchanged in the UK for a UK licence and it is hoped to get a decision which will be favourable fairly shortly.

MR SPEAKER:

I understand there is an amendment by the Hon. and Learned the Attorney-General.

HON ATTORNEY-GENERAL:

Mr Chairman, I beg to move the following amendments to Clause 5. In Clause 5, Sir, omit Section 46(a), sub-section (2) and substitute the following sub-section: "(2) Section 1(a) refers to a vehicle in any of categories A to E inclusive or in any sub-division of any such category; and (b) does not apply to a national driving licence that is limited to the purpose corresponding to the purpose specified in section 17(1)". The reason for the amendment is quite simply that my attention was drawn to that section, discussing it with an Hon Member, and as I read it for what was initially another reason, I came to the view that it would be better expressed the way I have expressed it. There is no intention to change the substance but I think it is more accurately expressed the way it is put now and I move accordingly. Basically, if I can explain a little further, I think I should, this sub-section is concerned to define which categories of vehicle can be driven in each of the countries, in other words, outside Community states and in Gibraltar and it is also concerned to provide that while national driving licences from other countries will be recognised they will only be recognised if they are not learner licences and that is the significance of the reference, Sir, to section 17(1) of this Ordinance because the purpose defined in section 17(1) of this Ordinance is for the purpose of learning to drive. The mutual recognition will not apply at learner level, it will only apply to what one might call the standard licence. I move accordingly.

Mr Speaker put the question in the terms of the Hon 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.

THE GROUP PRACTICE MEDICAL SCHEME (AMENDMENT) BILL, 1982

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

Clause 2.

HON J B PEREZ:

Mr Chairman, I beg to move an amendment to Clause 2 of the Bill to omit the figures of "£25.40" and to substitute the figures "£23.40". This was merely a printing error.

Mr Speaker put the question in the terms of the Hon the Minister for Health and Housing'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, when rounding off his contribution at the Second Reading the Minister complained that I had not been elaborate enough in my own contribution as to why we opposed this Bill. I had two points to make and I made them, I do not believe in repetition as he in fact repeated himself on four occasions on one of the matters. But, anyway, the point I wanted to make was that one of the reasons that I had given was that I considered that the contributors to the GPMS were second class patients when they went to see consultants as opposed to those who went privately and he asked that I should point out examples to him. I want to make it quite clear that I do not consider that it is my job to give him specific instances. I have complained about that particular practice in the past and I think it is up to the Minister to investigate, I know this is happening and I know that he knows that it is happening. The second complaint that he had was that I had made no mention or virtually no mention about the new category of contributors that had been introduced. I want to make it quite clear and I think I made it quite clear in the two points, I did not elaborate, I did not repeat but I said that we feel that all pensioners should get free medicines after they reach pensionable age, not just a few, all pensioners, and that has been argued for many years now. I just wanted to make those points quite clear for the record.

HON CHIEF MINISTER:

Mr Chairman, regarding the first remark, of course it is not the duty of Members of the Opposition to give any particulars to the Minister, naturally, but on the other hand if Members of the Opposition keep on complaining about things happening no doubt either bona fide because they have been told or because they have heard about it, if they keep on saying that and they do not inform the Minister, give the Minister information even on a confidential basis, then the protest cannot be taken seriously at all. The Member cannot be taken seriously if he keeps on repeating a complaint and does not give any example. The Minister received three complaints and he investigated them. It is easy for Members opposite to say there are complaints. Well, it is not that they have to be informers of the Government but it is normally done in every legislature that if they know of cases they do not bring them to the floor of the House, naturally, but they give them if only as an example. What the Minister wants is to investigate them, to see whether it occurs and if it occurs to uproot them. But what he says is that he has received no complaint. On the second point, in which I should declare an interest, I think it is preposterous that I should get because I have been lucky enough to reach the age of 65, that I should

get free medicine at the expense of the State and free treatment at the Health Centre because I happen to be over 65 and somebody who is just under 65 and his circumstances are much more difficult, unless of course he is on supplementary benefits, has to pay for it. It is enough advantage, and we have heard that from them on another aspect, on the fact that old age pensions are not taxable. Why should the State, with the longevity of life, why should the State carry that when we know that any old age pensioner whose income is below a certain level gets it free and we know that if there is a sort of in-between line the Minister administratively through his Department has got authority to remit these, not just for one occasion but to remit them all the time. If a case comes to the Minister as being one of the borderline case, the Minister gives his authority and until that is revoked the services are rendered free. These are the two points I wanted to make on the matter.

HON G T RESTANO:

I would like to answer the Chief Minister on both of the points. The first point he says was that we should give examples when we repeat our complaints.

HON CHIEF MINISTER:

I did not say that, I am sorry, you have got this wrong. What I say is that you should tell the Minister, not that you should give examples here.

HON G T RESTANO:

I do not agree with that. He has all the examples there. Why does a person who requires to pay nothing if he goes through the GPMS, why do so many people go paying? I know that the Minister has said in the past that it is a status symbol to go privately but I do not agree, I do not agree. I think it is because those people who go privately know that if they go privately they are going to get a better service, a quicker service, and therefore he has got all the examples that he wants up in the hospital, if he were to be there to see them. As far as the second point is concerned, and I suppose this is maybe two completely different opinions, the opinion of the Government and the opinion of the Opposition. We feel that persons over 65 should get their medicines free in the same way as the old age pensioners get their pensions free, I think that it is only right and proper for people who have been contributing towards Gibraltar, towards the community, towards their taxes, towards their social insurance and so on throughout their lives, that they should have a little bit of recognition at the end of their lives, well, not at the end of their lives but from 65 onwards, when they reach pensionable age. It is a time when I think they need it most, when this is most welcome in the same way as this is the time when they need their pensions most and that is why we believe that that should be completely free of charge.

HON MAJOR R J PELIZA:

There are two issues the Minister should give further thought to. This question of someone coming up with a complaint, particularly on something that is affecting his health, you might say, to complain about the person who has got to see him and then believing that somehow this is going to come to the ears of the very doctor that he is supposed to carry on seeing.

HON J B PEREZ:

If the Hon Member will give way. If I get a complaint against a particular doctor from a patient, would the Hon Member tell me how can I investigate it properly if I do not ask for the comments of the doctor involved?

HON MAJOR R J PELIZA:

I was coming to that. So therefore I think the Minister is almost accepting that it is very difficult for a patient to complain about the treatment he gets from the doctor. I personally would never do it. I would be very scared to do it because I would feel that immediately I was going to create an enemy in the person who has got to give me life. I think the Minister should realise that it is very, very difficult for a patient to complain about the doctor. If it is a fact that it is going to be very difficult to get the complaints that he wants to receive before he takes action, one has got to make a judgement if under the circumstances that this is working, is it right for such a situation to take place, for such events to take place? Well, this is the judgement he has got to make. Perhaps he thinks that it does not take place, perhaps his judgement is, no, the administrative way of doing this is foolproof, this cannot happen, and the only way that I will take some action is if I get an official complaint to make me change my mind. This is the judgement that he has got to make. What we are saying is that the situation exists where that is happening and it is up to him to change his mind or not, but this is happening and I think that he is in cuckoo land if he believes that this is not so because it is so. The other one is the question of the elderly people over 65. That, to me, is a principle. We as a society should look after people over 65. It does not matter whether they have money or they have not got money. Our duty is to look after people over 65 because if we start making distinctions between one and the other we very quickly create a different class which people do not like. It is very difficult for an individual to say he cannot pay that and have to go through a means test of one description or another. It is humiliating and in fact we have been trying to do away with means tests as much as possible. I do not know how much more this is going to cost the Government but I feel that if it is necessary add, perhaps, to the tax of those who you say can pay in any case. This is a decision that the Government has to make. When I am pensioned at 65 I do not know what situation I shall be in

but if I can pay, alright, take it off my tax, now or before or whenever it may be and then you create, I think, a more egalitarian society which I believe is what we are aiming at if we can, not marxist or anything like that but within the Welfare State that I think we all believe in, try and do away with that distinction of the person who has got to pay and the person who has not got to pay and do away with the means test because I think a means test is always disagreeable. Perhaps the Minister could give it further thought.

HON CHIEF MINISTER:

I must make one point because I think it is important. I entirely agree with the Hon Mr Restano but let me say that as far as we are concerned as a party, it is not that we do not want to do that and to carry out the proposals mentioned by the Hon and Gallant Member. It is that having regard to the constraints and so on, we feel that the distribution and the burden should be in another way. The approach is exactly the same except that we feel that the money that would be lost by making people who can pay not pay would be a burden on other people who should not carry that burden, is the difference. It is a matter of approach. As far as I am concerned let there be no contribution. In England, you can travel free of charge on trains and buses at certain times and on certain days if you are over 65. Some municipalities organised special trips and everything, all sorts of things. If the community can afford it it is alright but the only point is the question of priorities. The sentiment is completely shared.

HON G T RESTANO:

Would the Chief Minister like to say how much it would cost the Government if pensioners were not asked to contribute?

HON CHIEF MINISTER:

I do not know. We may be able to get a better judgement of all these things after the census is considered. I was looking at some figures prior to the census and I am happy to say that from 1961 to 1981 the people over 60, 65 and 70 has doubled and in fact insofar as people over 90; there were 14 people in 1961 over 90 and there are 47 now, so that the number of people who are living longer is much higher. As the Minister for Economic Development said in the statement he made, this will be very helpful to us in gauging the kind of benefit that one can give and being able to have real up-to-date statistics of the population and the cost of it.

HON G T RESTANO:

Of course we all welcome that the life span is extended but what I am saying is how much has been the revenue of the Government from the pensioners' contributions in the last 12 months? Surely, this is a separate amount which goes in, surely that figure must be readily available?

HON J B PEREZ:

Mr Chairman, the answer is very simple. Because all these people who are paying are in fact voluntary contributors so if they are paying 61p a week and now they will be paying, hopefully, after the Bill is passed they will be paying from January, 1983, 70p we have, on average, around 6,000 people who are paying those contributions. Out of that a certain proportion must of necessity be self-employed persons like myself. If you take an average of, say, 30% to be the voluntary contributors who are not in employment, that is more or less the figure that is coming into our coffers. The point involved here, as I have pointed out on many occasions, is that most pensioners, most people, we do apply the means test that the Hon and Gallant Major was asking us to consider, that is precisely what we have, we have the means test. When you are not working, let us take for example somebody who is over 65, there is a means test. We have that already and the majority of Gibraltarians, of single persons and married couples over 65 do not in fact pay and I venture to say that 90% of those people in Gibraltar over 65 who are not in employment, even up to 90%, in fact do not pay so what are we talking about, Mr Chairman?

HON MAJOR R J PELIZA:

If the Minister will give way. I think I understood him to say that I wanted a means test I said no, the opposite.

HON J B PEREZ:

I understood the Hon Member, Mr Chairman, to say that within a welfare state we have to have some form of a means test. What I am saying is that all we are talking about is 10% and of those people I can assure the Hon and Gallant Member that most of these people are people who are very wealthy in their own means and I would be against telling that person that he should not pay, but at least 90% do not pay a penny which is really what we want. The Hon and Gallant Major asked whether the Minister was living in cuckoo land. Mr Chairman, the Minister of Health and Housing lives in Gibraltar and not in London and I live directly opposite the hospital so I am very accessible to the people of Gibraltar and I have been Minister for three years. What I am saying, as far as complaints are concerned, is that of course there have been complaints. In the Health Centre, in which you have seven doctors and at least each doctor is seeing a minimum of thirty patients per day, so let us say $5 \times 30 = 150$ people go to that Health Centre daily. 10% are referred to the hospital, so if you do your arithmetic, you can imagine the amount of people who are referred to consultants. Of course, there must be complaints. But what I am saying is that I have not received as many complaints as the Hon Mr Restano seems to have received. This is why I say that the few complaints that have been referred to me have been investigated fully. On certain occasions we have had to apologise to the patient, there is

nothing wrong with that, and I do not think that anybody should hide that there have been complaints and they have been bona fide, of course, there have been. But what I am saying is that Mr Restano every time he comes to the House and he puts the question of consultants he seems to give the indication that everybody who goes up to St Bernard's has a complaint and I can assure the House that that is not the case.

MR SPEAKER:

I do not think it is fair that we should open the subject today.

HON G T RESTANO:

Mr Chairman, I think that is a total misinterpretation. I have never said that everybody who goes up to the hospital has a complaint, I did not say that at all. All I was saying was that the person who is referred from the Health Centre gets a different treatment to those who go private, that is all. I am not saying that everybody has a complaint.

HON J B PEREZ:

He said that they were second class patients, Mr Chairman, and that is incorrect.

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

HON W T SCOTT:

During the course of the winding up on the general principles, the Hon Member opposite said something that I disagreed with and I asked him to give way and he refused, and that is when he said, and this is again a point that has been made consistently and continually by my Hon Friend, Mr Restano, on the private practice of consultants in the hospital.

MR SPEAKER:

With respect, how does that come under Clause 2?

HON W T SCOTT:

Yes, this has also been brought up in Clause 2 and consultants practising privately have already been mentioned.

MR SPEAKER:

Very well, go on.

HON W T SCOTT:

I think the Hon Member is more aware than we are here of the fees that have to be paid to consultants by private patients at the hospital. I think the figure is between £10 or £15, and he himself said, the consultants are limited to 10% of their annual salary which I believe is something like just over £20,000. At £10 per visit that would make something like four patients to be seen a week, less than one a day. I know of cases even within my own family where I have had members of my family, at least three of them, go on the same day and I cannot believe for one moment that consultants, or one in particular, limits himself to seeing less than one patient a day. What we are trying to say here on our side of the House is that under no circumstances at all should the hospital be used for anything else other than the intention it was intended for and not as, perhaps, a loosely defined money-making exercise by anybody.

HON J B PEREZ:

Mr Chairman, I agree entirely with the Hon Member, but if he had listened properly to what I was saying at the Second Reading, I said that we were investigating certain cases because they had submitted their accounts, that is what I said, so the information that he is now throwing back to me is precisely what I told him at the Second Reading that the Department and the new Director was doing on my instructions because I am aware of what he has just said. I was the one who said it, it did not come from the other side.

HON W T SCOTT:

It could still be very easy to monitor in the hospital one patient a day.

HON J B PEREZ:

Of course I agree. Can I just say one more thing if I may, Mr Chairman?

MR SPEAKER:

If it is relevant to the clause, yes.

HON J B PEREZ:

What I am extremely surprised is that in this particular clause, Clause 2, what we are being asked is to vote for a very small and minor increase in contributions and the reasons that have been adduced in this House for not voting in favour of this particular Bill is because the Opposition are dissatisfied with the service of consultants but, Mr Chairman,

they are forgetting that most of these contributions are in fact in connection with the GPMS in which you have seven doctors and I have already said 150 people are seen daily and no complaints have been raised from that side of the House of the service that the doctors are giving at the Health Centre.

MR SPEAKER:

That is precisely why I was saying that the whole debate for the last half hour has been irrelevant to the matter before the House. I entirely and utterly agree with you.

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 SUPPLEMENTARY APPROPRIATION (1982/83) (NO 3) BILL, 1982

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

Schedule

Schedule of Supplementary Estimates Consolidated Fund (No 3 of 1982/83)

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

Item 2, Head 7 - House of Assembly, was agreed to.

Item 3, Head 10 - Judicial (1) Supreme Court, was agreed to.

Item 4, Head 14 - Medical and Public Health

HON W T SCOTT:

What was the nature, Mr Chairman, of the outstanding commitment?

HON J B PEREZ:

Mr Chairman, it was money left over at the end of last year. We had not received the bill for a particular piece of equipment so, according to financial instructions, at the end of the year you have given back the money so this is why it is a re-vote.

Item 4, Head 14 - Medical and Public Health, was agreed to.

Item 5, Head 15 - Police

HON J BOSSANO:

On the salaries of the Police Reservists, I do not think we have been given an explanation as to why it is that the Police Reservists were needed initially and why they are not needed any longer.

HON CHIEF MINISTER:

I think, with respect, Mr Chairman, it was fully explained by the Attorney-General. They were employed on the basis that they were going to be in charge of car parks and then on further enquiries it was found, according to the Police Ordinance, that that was not a proper kind of work for them. They have been used in the meantime for other more light Police duties and because they were employed on a temporary basis as was clearly explained here at great length yesterday, they were given notice, some of them have resigned on their own.

HON J BOSSANO:

I am voting against this, Mr Chairman, because I think the matter should have been checked before they were employed not after they were employed.

HON P J ISOLA:

You have to pay them.

HON J BOSSANO:

Well, I do not agree that they should have been employed on that basis and I am not prepared to take the responsibility for paying them when I was not involved in any decision of employing them and, in fact, my understanding is that the Commissioner employed them without consulting anybody so perhaps they should surcharge the Commissioner.

HON CHIEF MINISTER:

Your understanding on that is completely wrong. Certainly, I knew that they were being employed because it was at the time we were taking all the measures necessary for the 25th June.

HON A T LODDO:

Mr Chairman, I have on a number of occasions asked questions concerning Traffic Wardens which is what apparently these Reservists were originally intended to be. It was found, obviously, that they could not be employed as Traffic Wardens and so their employment is being terminated but does this mean that the idea of employing Traffic Wardens has been abandoned altogether?

HON CHIEF MINISTER:

They were not going to be Traffic Wardens in the sense of what we call Traffic Wardens, they were going to be employed in charge of the parking areas that were going to pay a parking fee which is a different thing.

HON A J HAYNES:

Mr Chairman, will Government endeavour to find employment within Government for those I think it is five remaining Police Reservists? Although it says eight, Mr Chairman, I understand that three are either employed or in the United Kingdom. Can the Attorney-General tell me what they are going at present?

HON CHIEF MINISTER:

I can answer that one to some extent because the question of their re-employment was the subject of discussion. They have been employed by the Police to do quasi police duties and help Policemen in traffic and so on, they have been doing work more in the nature of a Police Reservist than they were employed for, as simple as that.

HON A J HAYNES:

There is an element of doubt as to how temporary their employment was.

HON CHIEF MINISTER:

I am told now by my Hon Colleague that some of them have been employed as Court Officers which is not unlike the job of a Reservist so that they have been doing work more akin to their description than for the jobs for which they were employed. As regards the first question which he has forgotten but I have not forgotten, what have we done about it, the answer is that they may have been able to get employment elsewhere by the time they come to the 3rd January, within Government, but since they were employed on a temporary basis and they have been given certainly three months notice, they have been on notice for that time, they have to seek other employment. The Government cannot possibly guarantee that anybody who is employed on a temporary basis when he is told that the temporary employment comes to an end give him another employment then there is never any temporaryness about it.

HON J BOSSANO:

Mr Chairman, I think the Government can confirm that there have been agreements, in fact, that because of the special circumstances the Police Reservists in question have been able to apply for all the vacancies that have turned up and that they have been given to some extent preferential treatment, is this not the case?

HON CHIEF MINISTER:

Yes, of course, as I said, we do what we can within the parameters, we cannot guarantee them work except that we try once we employ them to gear them into other employment within the Government as the good employer we are.

On a vote being taken on Item 5, Head 15 - Police, the following Hon Members voted in favour:

The Hon I Abecasis
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 E G Montado

The following Hon Member voted against:

The Hon J Bossano

The following Hon Member was absent from the Chamber:

The Hon A J Canepa

Item 5, Head 15 - Police, was agreed to.

Item 6, Head 17 - Post Office (2) Philatelic Bureau

HON P J ISOLA:

Can I ask, before monies are transferred to the fund are the expenses incurred in the sales or in the production of the stamp or a proportion of it deducted or is this gross sales that is handed over?

HON R J ZAMMIT:

I understand that the production of the stamp is virtually negligible. I would not like to mislead the House. If my understanding is correct the Philatelic Bureau undertook the costs of printing which is negligible, there is nothing taken out of the complete sales and the advertising of it.

Item 6, Head 17 - Post Office (2) Philatelic Bureau, was agreed to.

Item 7, Head 20 - Public Works Annually Recurrent

HON W T SCOTT:

Sub-head 53, Mr Chairman. Could we have a further explanation as to the £80,000?

HON M K FEATHERSTONE:

The storm damaged the catchments in four areas, two areas were very severely damaged in which the sheets were actually torn up and blown away from the site. In a third area sheets were very heavily buckled, in a fourth area there was some slight movement but it was possible to put the sheets back into their proper position. The £80,000 is the cost of all the repairs, replacing the total quantity of sheets. I think the area that was actually torn up is something about one acre.

HON W T SCOTT:

Is this work to be effected shortly or are we going to wait for the summer months?

HON M K FEATHERSTONE:

Much of it has already been done by the actual waterworks employees and they are still actually doing it, it is hoped to complete it fairly shortly.

HON J BOSSANO:

Can I ask for a separate vote on Sub-head 2, the conversion of the Loreto Convent ground floor into offices for the British Nationality registration? I am against the conversion of the Loreto Convent. I cannot see that there is a need for a special office to be set up for this purpose since I assume we are all in agreement that the alteration that was introduced into the Nationality Bill is not going to disappear in February and that there isn't a need for the entire population to go and register in January.

HON P J ISOLA:

Many people will want to register as soon as possible. It may not be my Hon Friend's view but I think he will find a lot of people will want to register.

HON J BOSSANO:

In my view, Mr Chairman, we should not be spending £6,500 of public money for this purpose because I think people should be advised that there isn't the need for the entire population to queue up to do it on day one and that this should be done by the normal Government machinery and that the money should be used better on other things so we are against spending the money on this.

HON CHIEF MINISTER:

The answer, of course, is a matter of judgement. We anticipate that there will be a rush and therefore we have to prepare, it is no use doing nothing about it and then finding people at the Secretariat where the Passport Office is, queueing for that thing and then the people who queue up for their pensions, we have to provide a service. The money is not completely lost in the sense that it is intended, though we have not reached finality yet, it is intended and I think it was revealed in one of the questions answered by my colleague Mr Canepa, to use the Loreto Convent school for Government offices and therefore being able to release high rent premises that we rent for Government offices and also release badly required offices for the rather bad conditions under which a lot of people work in the Secretariat and therefore this is part of the conversion of Loreto Convent into offices made in advance for a purpose. There will always be there an office of some kind, if it is not a counter it is something else but the work has to be put in hand because we anticipate and in fact we have said that it would cost us money when we were talking about the fees, whether we should charge it or not, a matter which we commented on, but I must say that we feel we have a duty to be prepared to meet a possible rush on the 4th of January. It may be that after that it gets into a trickle but the offices will be used badly needed as they are for other purposes so it is not really money for that. We are making arrangements for that to be able to cope with it because our judgement is that there is going to be an initial rush.

HON P J ISOLA:

Mr Chairman, I don't think I can let the statement by the Hon Mr Bossano go by without us saying something about it. We agree entirely with the expenditure and we think it is a very wise move on the part of the Government to give the facility to a great number of people in Gibraltar who value their British Citizenship rather more highly, I suspect, than possibly the Hon Member himself and we feel that the facility

should be there, we support the expenditure entirely. We do not say that we expect there will be a rush, we hope there will be a rush because at least this will show the British Government and anybody who is interested in Gibraltar that at least we value our British Citizenship rather more highly than our telephone directory. I would only remind the Hon Member when the new telephone directory came out the queues that formed outside the Public Works Department and I would have thought that in the case of British Citizenship there should be at least a similar sort of enthusiasm to obtain their British Citizenship. After all, the British Nationality Act can be amended and certainly my advice to those who support this Party and in fact our advice to people would be get it while the going is good and register as soon as possible. So, Mr Chairman, we welcome this expenditure.

HON CHIEF MINISTER:

I would like to say one thing in respect of something that has been said. First of all, if there is a rush there is a big patio, people can be inside, they won't interfere with traffic and motorcycles and so on. The other point which is a much more serious one, which has been mentioned by the Leader of the Opposition, is one that was made by the mover of the amendment in the House of Lords who was responsible for getting the thing through. Lord Bethell at the Freedom Ceremony said: "It remains to be seen how many people take advantage of this amendment". I think whether you want the passport or you do not want the passport is another matter but I think that it would not reflect the heavy lobbying that we did in order to get this amendment if we took it completely coldly.

On a vote being taken on Item 7, Head 20 - Public Works Annually Recurrent, Sub-head 2, Maintenance of Offices and Buildings, the following Hon Members voted in favour:

The Hon I Abecasis
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 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 E G Montado

The following Hon Member voted against:

The Hon J Bossano

The following Hon Member was absent from the Chamber:

The Hon A J Canepa

Item 7, Head 20, Public Works Annually Recurrent was agreed to.

HON W T SCOTT:

Sub-head 58, Mr Chairman, the importation of water. I have been under the impression that the importation of water agreement is an agreement or a contract. Am I to assume that the contract has been re-negotiated or that the term has expired and a new contract entered into?

HON M K FEATHERSTONE:

The terms of the contract do allow for increases to be made from time to time as long as these increases can be adequately substantiated. The rather heavy increase which has occurred at this time is three-fold. Firstly, the actual cost of the water in Tangier was increased. Secondly, the Tangier authorities who previously had been levying a tax on all liquids leaving the Port of Tangier, had not been levying this tax on water being supplied to Gibraltar and they suddenly; I would not use the word judiciously, but suddenly realised their error and found that they were losing quite a lot of money and so they decided to put this tax on to water supplied to Gibraltar as from April, 1981. Our water suppliers took very strong and energetic action against this because it would have meant a bill of something like £150,000 extra to pay for water which had been supplied throughout the previous year. Fortunately, they were able to convince the Tangier authorities not to levy this tax for the period 1981/82 and it only started to be levied as from April, 1982. Those two items, the increase of cost at source and the tax amounted to approximately 70 pence. The total increase was 78 pence, the other 8 pence being allowed to the carrying company on submission of detailed invoices from them that their wages bill had increased, their fuel bill had increased and their other small incidental expenses had increased in line with inflation.

HON W T SCOTT:

Might I ask, Mr Chairman, are these new increases already reflected in the production cost for the month of November?

HON M K FEATHERSTONE:

Yes, I think so.

HON W T SCOTT:

In fact, we are now reaching a stage, Mr Chairman, where the cost of importation of water is almost the same as that from the distillers.

HON M K FEATHERSTONE:

We are hoping that when we get the new distiller working or at least the present distiller working with the waste heat from the power station, it may be actually cheaper to distil than to import.

HON W T SCOTT:

One final question, Mr Chairman. Will this be reflected in an increased charge of water to consumers before the next Budget?

HON M K FEATHERSTONE:

Not before the next Budget. But I would not like to pre-judge what is going to be done at the Budget.

Item 7, Head 20, Public Works Annually Recurrent was passed.

Item 8, Head 22 - Secretariat

HON G T RESTANO:

I notice that the amounts required is £26,000; the amount actually now required being £13,900. If you sum up all the amounts in the right hand column it is £26,000. Where have such considerable savings been made? If all the amounts in the explanatory column are added up they add up to £26,000, and at the end it says: "These expenses are partly offset by savings in salaries arising from staff turnover". What sorts of savings have been made?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I would imagine that this is related to the fact that there is a time gap between the time that people are taken on. People have increments which they will not enjoy if they have left the service and these are provided obviously at the beginning of the financial year.

HON CHIEF MINISTER:

I think it is relevant to point out the huge amount of the Secretariat vote which is £579,000.

HON P J ISOLA:

The EO and two CO's for British Nationality Act registration. What are these, promotions in new appointments or transfers? We are voting £7,700 there for work, slightly more than in refurbishing.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

They are additional staff.

HON P J ISOLA:

We support it, I don't know about the Hon Mr Bossano.

HON J BOSSANO:

I think if you give people work you have to pay them. On the £6,500 for the extension of the staff inspector's service which it says is a re-vote from 1981/82. How can it be a re-vote, wasn't it paid in 1981/82 or what happened? This is something we paid because ODA terminated the staff inspector's appointment. The explanation then is that they paid him and we reimburse ODA. I see. I am against that particular item.

MR SPEAKER:

The only thing that you can hope to do is to move an amendment to reduce the vote by that amount, there is no other way.

HON J BOSSANO:

I will abstain on the vote because of that particular item.

On a vote being taken on Sub-head 1, Personal Emoluments of Item 8, Head 22 - Secretariat, the question was resolved in the affirmative. The Hon J Bossano abstained.

HON G T RESTANO:

On Sub-head 7, Rents of Flats and Offices. Which particular rents do these apply to?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, they apply practically across the whole range of flats and offices which are occupied by Government officers and by Government offices in the private sector.

HON CHIEF MINISTER:

I can recall immediately the renewal of the leases we had in Leon House where we have the Income Tax and one or two other offices where the current lease came to an end recently and we have negotiated for a shorter period in the hope that we need not carry on occupying those premises.

HON G T RESTANO:

When did the lease expire? Is there not a moratorium at the moment, Mr Chairman?

HON CHIEF MINISTER:

I think it was a matter of an option within the lease, I do not know. I am sure that this was looked after by the Attorney-General. I am trying to be helpful, I am not trying to create complications otherwise I would keep my mouth shut.

HON G T RESTANO:

But I would have thought that if there was a moratorium that should have applied also to these cases.

HON CHIEF MINISTER:

Not if you have an option for a lease to renew. In any case it need not deal with all the time of the moratorium, it may cover periods before the moratorium.

On a vote being taken on Sub-head 7, Rents of Flats and Offices, the following Hon Members voted in favour:

The Hon I Abecasis
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon E G Montado

The following Hon Members voted against:

The Hon J Bossano
The Hon A J Haynes
The Hon P J Isola
The Hon A T Laddo
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 A J Canepa

HON A J HAYNES:

On Official Passages. What does "Provision for official visits to the UK insufficient", mean? Does this mean, Mr Chairman, that Government did not anticipate so many passages or that the money that they had for the passages that they knew were going to take place was insufficient, I am not quite sure?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

That is correct.

HON A J HAYNES:

Which is correct?

MR SPEAKER:

You have been given an answer to your question. I have no doubt what the answer is and if you are in doubt you can ask a supplementary.

HON A J HAYNES:

Have I been told yes?

MR SPEAKER:

You have asked whether it is a fact that they did not provide and you have been told that they did not provide.

HON A J HAYNES:

I asked, Mr Chairman, whether the £2,000 was as a result of air fares going up or as a result of more people travelling.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This relates totally to the fact that there have been more visits as opposed to an increase in fares. I think, Mr Chairman, I can vouch for that personally.

HON A J HAYNES:

I notice, Mr Chairman, that in previous years extra visits have resulted in funds which were not brought before the House being sanctioned at a later stage and this was brought up before the Public Accounts Committee and in fact in the Public

Accounts Committee we were told that it was almost impossible to gauge beforehand when extra visits take place. How is it that this time they have gauged and been able to account for it beforehand?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, precisely because of the points raised in the Public Accounts Committee.

HON A J HAYNES:

How was this done, that is what I want to know?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I assumed that the Controlling Officer is keeping a closer watch on his vote.

On a vote being taken on Sub-head 80, Purchase of Office Furniture the question was resolved in the affirmative. The Hon J Bossano voted against.

HON J BOSSANO:

I believe that there is spare furniture and spare office capacity but not spare bodies within the Government service.

HON CHIEF MINISTER:

I am really surprised that the Hon Member should say that there is spare office and spare furniture. He has obviously not been to the Secretariat and I think I owe it to the staff that are putting up with these conditions. If they were industrialists they might have been on strike already. When the Deputy Governor arrived and visited the offices he made a report that made everybody shake in the Secretariat. The new Governor when he visited the offices the other day told me personally that he had never seen, in respect of some offices, not all, more appalling conditions under which people worked and we cannot carry on doing that, that is why we are going to refurbish the old girls' school at the Convent, it shall cost money but it is the best that we can have because it is a matter of refurbishing and so on the Loreto Convent. We are not taking over The Convent for the time being. The point is that there is no room in some places for furniture. The people are cheek by jowl in very bad conditions and when you have a new commitment you cannot do with what you have and I can assure you that there is every intention of exercising the utmost economy of making do with desks and so on in the Secretariat but there simply comes a time when you cannot open another office and not provide it with proper furniture.

HON P J ISOLA:

The Hon Mr Bossano has voted against purchases of furniture for any department and I can only surmise that his objection in this case is the same as before, he does not want a British Nationality Office so he is determined there should not be an office and it should not be furnished. We agreed with this particular item, obviously, because it is for the British Nationality Office.

MR SPEAKER:

With respect to the Hon Leader of the Opposition and the previous speakers, I am getting more and more confused. We are now having debates on how people vote.

HON G T RESTANO:

On Sub-head 81, Enquiries into Departmental Functions and Efficiency. Can we have more details on this particular amount, Mr Chairman?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, the additional provision sought basically divides itself into two. There is a substantial element which is more than half the amount required which is a specific consultancy fee payable to the Industrial Society who employ the gentlemen concerned and that is a fixed specially reduced but a fixed rate which runs into a figure of £1,250 a week. The balance relates to the salary and travelling expenses of the Chairman himself.

HON G T RESTANO:

Did I understand the Hon Member to say that it is £1,250 a week to the Industrial Society? For how long is this payment?

HON CHIEF MINISTER:

It was done originally for six weeks and I think it has been extended for another six weeks.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, the standard fee for any consultant, and we have had quite a number of consultancies ourselves, is £1,000 in terms of salary for the individual so obviously a fee payable to a national society or association in the region of just over £1,000 in the context of £1,000, is not particularly abnormally high.

HON P J ISOLA:

But the £1,200 is to the Industrial Society. On top of that a salary has to be paid to the Chairman.

HON CHIEF MINISTER:

No, hotel expenses and travelling.

HON P J ISOLA:

How often does he travel?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I understand it is almost weekly between London and Gibraltar.

HON P J ISOLA:

Well, Mr Chairman, cannot somebody suggest that this Committee sits right through and we do not have this man having to come once a week, £250 every time he flies to Gibraltar?

HON CHIEF MINISTER:

I am afraid that the progress that can be made in that Committee cannot be determined. If it were employing him for a period and sending him away it would be different. He has to steer both sides of the Committee. I am sure Mr Bossano will help me in this, if I get it wrong. Proposals are made and the staff side have to consider them and the management side consider them, then they must come to be reconciled. A lot of papers are circulated relating to conditions and so on. The conditions under which the Industrial Society after looking round everywhere as I have said in this House many times, how many times I tried to get a Chairman and how a former Governor Sir William Jackson, helped me to try and get one through the PSA and we were not able to get him until finally we found somebody who could do it, and it was conditional on, I do not know whether it is a weekly or a fortnightly trip that he does, it all depends, because he is doing something else and that is why the condition was put. It is not that he came on an assignment and he stays here until it is finished. The point is that he has other commitments and the Industrial Society was able to release him for a certain time. I think his time here is also conditioned by his other commitments in the United Kingdom and this was all made very clear at the beginning. Very reluctantly because it looked quite expensive and it looks doubly expensive now because his period has been extended, we had to agree with it because it was essential that we got this right from the beginning. It is not a vote that we come here with any glee to ask for it, it is just a matter of fact that

that is what is happening and no amount of accelerating can be done in order to cut the nature of his work has much as you will not be able to tell a doctor to operate quickly if the nature of his job had to be done at a different pace.

HON W T SCOTT:

Mr Chairman, I am a bit confused. I want to make sure that I get it absolutely right. I think the Hon Acting Financial and Development Secretary said there was a consultancy fee charge of £1,200 a week and then later on the Hon the Chief Minister was saying six weeks and then another six weeks covering a period of twelve weeks all told. Is this a £1,200 a week charge covering the twelve weeks periods whether the consultant is here or not here? Is he still paid that even if he is not in Gibraltar?

HON CHIEF MINISTER:

Let me tell the Hon Member what I remember, and the Financial Secretary will correct me if I am wrong, because I have dealt with this myself because of the nature of this matter. It was estimated that the first consultancy all covered, all expenses would cost us £23,000 and it has been extended for a similar period or an extra week, I forget now, that is why it is £54,000. I am told that the unions are loath to meet more than once a week in this matter because of the work that they have to prepare for the meetings.

HON P J ISOLA:

Mr Chairman, if this £23,000 is for six weeks it means that having the privilege of this man chairing a body is almost £4,000 a week which it is costing public funds. I would have thought that the staff side and the union side should be aware of the cost to public funds and an effort should be made to bring matters to a conclusion one way or the other. It is a duty to the public, we are not just talking of the Generating Station, but it is a duty to the public owed not just by the Government or by the Opposition but by the staff side and by the union side. We are talking of almost £4,000 a week for one man to meet this body once a week or even once a fortnight. This is scandalous, Mr Chairman, that the public should be paying these enormous fees because somebody is too busy to have a meeting or somebody else has not got the time to look at papers.

HON J BOSSANO:

If the Hon Member will give way. Then he should not have voted the money in the last House, he should have voted against that item.

HON P J ISOLA:

We voted in favour of it because we want a resolution of the matter; of course we do, and we took a responsible attitude. We were told by the Government this is the way that we feel it can be done and with the greatest respect to the Hon Mr Bossano, the irresponsible attitude was rather his. He said to the House, I think at the time: "I do not vote for this money because we do not need somebody from outside to solve them". What I am saying is we have got somebody from outside for whom we are paying a lot of money and who I am sure both the staff and the union side and we all think is somebody from outside to be an independent chairman and apparently he cannot get agreement so if he cannot get agreement I am quite certain there would not have been agreement without this man being there but there is a limit to which this House can be asked to vote funds merely and simply to keep people almost on a jolly, Mr Chairman.

HON CHIEF MINISTER:

May I try and keep this on a clear level. First of all, I think the Hon Mr Bossano voted against this because he votes against all consultancies because he says that we do not need to bring people from abroad. I wish we could dispense with consultants, generally, not with general consultants but we haven't got the know-how in many areas and this may well have been one in which we could have found one, in fact, as Hon Members know, I spoke to four people of calibre who would have taken it, I don't know what they would have done of it if an expert is taking so long. It is also fair to say that it is not the number of the meetings only that he is here for and because he is an independent chairman I am not going to make a plea for any one side to hurry the work. I would say that it is in the public interest, generally, not only because of the cost of the consultancy because of the matters that have to be resolved that the problem should be solved as quickly as possible and therefore the least expensive possible and therefore it is in the interest, and I am not taking one side or the other, it is in the interest of the Government that both management and union might, if they are not already doing so, might give the matter a sense of urgency if only because of the cost involved but I would like to stress that it is not just a question of his sitting there for a meeting and talking and going away. He has got to talk to one side, he has got to talk to the other, he has got to draft conditions, he has got to draft proposals and talk to the people themselves and, in fairness, I should also say that this man has been by agreement with the union, by full agreement with the union, and if I am wrong perhaps the Hon Member who is a member of the Committee will correct me, by agreement of the union the man has been allowed to talk to individual people one by one at the Station and has been given a completely free hand to deal with the matter in a rather sensitive area in a completely free way. In that respect I think we ought to be grateful that the unions have agreed that that be done because then it

cannot be said that it is the union leadership or not that is putting the difficulties. This man has had access and I understand that he spends a lot of time, a lot of his expensive time, in the King's Bastion Power Station talking individually to people, explaining what is going on with the Steering Committee and so on. But I do agree that we deserve a resolution pretty quickly.

HON P J ISOLA:

Mr Chairman, all I would say to that is that as far as we are concerned we are going to vote for this money but we vote for it with this great reservation that we think that there is a need to consider the public interest in this matter. We are very happy to see that the chairman is doing his work properly and we would very much like a resolution of the matter but we are not fools, Mr Chairman, we have read the report, we know the problem, we know the issues and I would have thought that if both sides met with a sense of urgency and with the realisation that there must be a solution and got down to it, then I would have thought that the problems that we have seen, we know the problems that are there, there should not be really that much difficulty in coming to a resolution in a way that is just and fair to both sides and not least of all to the public in Gibraltar who have to foot the bill and who know what they are paying for all this because they have to pay the electricity bills at the end of every month, they have to foot the bill. I think the public deserves to be treated and to be given a fair deal by both the Government and the staff side and we are voting all these funds in order that there should be a fair deal, that there should be a resolution of the problem and that the Generating Station should be run in a proper manner. But there is a limit, Mr Chairman, in my view, and we are trying to be as fair as we can, but there is a limit to which the House can be asked to just foot the bill of a Committee that goes on sitting and sitting and sitting and sitting when we know the nature of the problem and we know that it is not a problem that requires more time than the Lisbon process. It is a problem that I would have thought can be fixed and can be sorted provided there is goodwill and a genuine will to come to a settlement, it should not take, Mr Chairman, all the time that it is taking, all the staff that are involved, all the paperwork that he has been doing, when we feel the issues are fairly simple and straightforward and there is a limit to which, I think, the House can be asked to just foot the bill. So we are going to vote for this because we disagree with the Hon Mr Bossano, it is quite obvious that a man was required, it is quite obvious somebody of stature was required to try and bring a settlement and we have no hesitation in voting for the money but there is a limit and I hope we are not going to be asked to vote any more money under this Head.

HON J BOSSANO:

Mr Chairman, I do not want to be drawn into revealing any details of the work of the Committee because obviously it is not my function to report to the House on what goes on in the Committee and I am there mainly, I think, because the Enquiry Report recommended that I should be and because the decision taken by the union was that the union did not wish to be accused by anti-union elements in our community of being deliberately obstructive but obviously the union did not commission the enquiry, the union did not accept the report because the report was to the Government and not to the union, the union agreed to take part in the machinery that was set up but I am there for that specific reason, the people who really count are the people who are working in the Generating Station and who are selected by the staff there to represent them. All I can tell the House is that from my experience of being involved in this side of, probably negotiations isn't the right word because it is not really negotiations what is going on, but in this type of Committee work, the speed at which it is moving may appear slow but in my experience compared to the work I have done in similar capacities for the union in the last ten years, it is moving faster than in any one that I have been in before and I cannot accept that we should measure its speed by what it costs. If it was a chairman who was unpaid then, presumably, it would not be considered slow that it was meeting every week but I can assure the House that one meeting a week where there has to be an analysis of what is being discussed and that has got to be explained to people and then what people think of that has got to be brought back and that has got to be taken by the other side and then the answers have got to be brought back, that that should happen on a regular basis every week is not unusually so by contrast to, for example, the eight years that it took to negotiate the pension scheme for the MOD where they had people coming out from UK, obviously, but we did not have to vote the money, it is going very fast. I am not saying it is going to take eight years but I think one has to have a sense of perspective. I am voting against the amount of money for the same reason that I voted the last time and not because I consider that the person selected is unsuitable, that has nothing to do with it, the issue is not that.

On a vote being taken on Sub-head 81, Enquiries into Departmental Functions and Efficiency, the following Hon Members voted in favour:

The Hon I Abecasis
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza

The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammitt
The Hon D Hull
The Hon E G Montado

The following Hon Member voted against:

The Hon J Bossano

The following Hon Member was absent from the Chamber:

The Hon A J Canepa

Sub-head 81, Enquiries into Departmental Functions and Efficiency was passed.

Item 8, Head 22 - Secretariat was agreed to.

Item 9, Head 24 - Tourist Office (1) Main Office

HON MAJOR R J PELIZA:

I wonder, Mr Chairman, if the Minister could give me an account of how the money was used in the advertising in Denmark and Germany?

HON H J ZAMMITT:

Mr Chairman, it may be recalled that Sun Air was the firm that took up charter operations from Copenhagen to Gibraltar having commenced the first flight on the 21st June. I think I need not remind the House that it was four days before a non-event. It was then intended to have had two flights per week but because the frontier did not open on the 25th they reduced it to one flight per week which went through from the 21st June up until the end of August. The money was spent mainly in advertising by procuring our Tourist Office brochures in the German language which covered Denmark, Germany and Sweden and advertising in local papers in those three areas. I should say, Sir, that although the flight came to an end at the end of August they were obviously stopped on account of the non-opening of the frontier as they could not use it as a two-centre holiday but there was every intention with or without an open frontier to restart it next April and of course the recent information we have had is indicative that they certainly will take it up next April and they are well stocked up with literature on Gibraltar in the languages spoken in that particular part of the world, Scandinavian countries in particular, so there will be no need to spend further money in advertising although of course we would willingly do so if we saw that it was of some advantage to Gibraltar's tourist trade.

HON MAJOR R J PELIZA:

Can the Minister state to what extent it was successful between the months of June and August?

HON H J ZAMMITT:

Mr Chairman, probably we are privileged in having a Financial Secretary who is also a Statistician and they work out things that I do not totally understand. What I can say is that the flights that we had produced 5,684 tourists to Gibraltar, that multiplied by £10 per person in hotel accommodation would give you £56,840 and then they estimate 5,684 again by £10 in expenses coming to a grand total of £113,680 and then they come to a formula of a contribution to the gross national product of, say, 15% which comes to £17,052. So, all in all, it seems to have balanced very favourably or should I say that the scales have tipped favourably towards our expenditure.

HON MAJOR R J PELIZA:

In fact, it is encouraging to try and develop that market particularly if the frontier were to open.

HON H J ZAMMITT:

Very much so, Sir.

Item 9, Head 24 - Tourist Office was agreed to.

Item 10, Head 20 - Treasury was agreed to.

Schedule of Supplementary Estimates Consolidated Fund (No 3 of 1982/83) was agreed to.

Schedule of Supplementary Estimates Improvement and Development Fund (No 3 of 1982/83) was agreed to.

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

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

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

The House resumed.

THIRD READING

HON ATTORNEY-GENERAL:

Sir, I have the honour to report that the Companies (Amendment) Bill, 1982; the Education (Amendment) Bill, 1982; the Trade Licensing (Amendment) (No 2) Bill, 1982; the Traffic

(Amendment) (No 2) Bill, 1982; the Group Practice Medical Scheme (Amendment) Bill, 1982, and the Supplementary Appropriation (1982/83) (No 3) Bill, 1982, have been considered in Committee and agreed to, in the case of the Companies (Amendment) Bill, 1982; the Trade Licensing (Amendment) (No 2) Bill, 1982; the Traffic (Amendment) (No 2) Bill, 1982; the Group Practice Medical Scheme (Amendment) Bill, 1982, 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 Companies (Amendment) Bill, 1982; the Education (Amendment) Bill, 1982; the Trade Licensing (Amendment) (No 2) Bill, 1982; the Traffic (Amendment) (No 2) Bill, 1982, and the Supplementary Appropriation (1982/83) (No 3) Bill, 1982, the question was resolved in the affirmative.

On a vote being taken on the Group Practice Medical Scheme (Amendment) Bill, 1982, the following Hon Members voted in favour:

The Hon I Abecasis
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon E G Montado

The following Hon Members voted against:

The Hon J Bossano
The Hon A J Haynes
The Hon P J Iscla
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 A J Canepa

The Bills were read a third time and passed.

The House recessed at 5.15 pm.

The House resumed at 5.55 pm.

PRIVATE MEMBERS' MOTIONS

HON. G. T. RESTANO:

Mr Speaker, I beg to move the motion standing in my name which reads: "This House calls on the Government to reverse its decision to charge for local telephone calls in view of:

- (1) the excessive increase in charges which the Government is imposing on the people of Gibraltar
- (2) the unacceptable extra burden on elderly persons who need to rely so heavily on their telephone as their life line
- (3) The intolerable and totally unnecessary interference in the Gibraltar way of life which has always been the close and frequent communication between families and friends and which the imposition of such charges will surely disrupt
- (4) the serious extra imposition on the private sector which, of necessity, relies heavily on the telephone service to carry out its business activities and which will undoubtedly and unfortunately pass on these charges to customers making Gibraltar more expensive for Gibraltarians and less competitive in the tourist market".

The introduction, Mr Speaker, of charging for local telephone calls coincided with the introduction of International Direct Dialling. There is no doubt that Gibraltar needed International Direct Dialling very badly. Without it, as far as telecommunications were concerned, Gibraltar was really in the backwaters of telecommunications in Western Europe. In fact, I think we were probably one of the only communities in Western Europe who didn't have this service. Personally I was always a very serious advocate of the introduction of International Direct Dialling. I remember the very first question I ever drafted for this House in 1976 was in fact asking that direct dialling should be introduced. Since then, of course, I have quite persistently put down questions in this House asking for that service to be introduced. We certainly welcomed from this side of the House the Government's eventual decision to bring direct dialling to Gibraltar. We have always felt that that decision should have been taken earlier because Gibraltar so badly needed that service for business, to build up our finance centre and for the people of Gibraltar generally and it gave a very bad impression for Gibraltar not to have had that service. However, better late than never. My disagreement entirely with Government is that they should have taken the opportunity of this very welcome addition to Gibraltar to take the advantage and introduce charges for local calls. We certainly never envisaged when we asked for International Direct Dialling that local calls should be charged. IDD, I think, cost in the region of about 10p and we feel that that expense should have been met and

should be met by the users of IDD. The repayment, we feel, should be spread out over a number of years and be paid by those who use the expensive IDD equipment. So instead of having local charges and really making what I would consider a quick return for the outlay, like I suppose in most high cost programmes, the cost has to be spread over a number of years and if necessary even over a number of generations and certainly not to impose high charges for local calls. The result of the local calls has in some cases been pretty horrific. People have been receiving over the last month the charges that have been incurred in their new meters and in frequent cases I have had complaints from people coming up to me and saying that the bills range anywhere between £6 and £50 per month and that is a very big sum indeed. I remember when the decision was taken to introduce these charges, we were told that they were fractionally cheaper than in the United Kingdom but the increases in the United Kingdom were a very gradual process over many years. I remember myself when one used to pay 2 old pennies for a call and if the fraction of a penny is greater in the UK than it is here, it has been a gradual process and not a sudden imposition which I feel has been very unfair to subscribers. I think, too, that the necessity for charging in Gibraltar has not been the same as in the United Kingdom, I think in the United Kingdom perhaps because the charges were introduced such a long time ago, people were not so accustomed to the heavy use of the telephone and therefore I really think that there was no need to charge for these calls. The people who have been the most affected of all have been pensioners and the elderly people. These people rely tremendously on their telephones for communication with their relatives and friends. Sometimes they rely on their telephones for supplies. Old people who live alone and who cannot go out of their homes for whatever reason, they are unwell, disabled and so on, they rely on their telephones to get their basic supplies. I think there are quite a few of these people, after all, we see the housing that has been done by Government has included a lot of bedsitters and a lot of these bedsitters are for elderly people who, perhaps, have been changed from a larger house to a smaller house which is more to their requirements and I think the need has been there and that is why I think Government has been building all these bedsitters. They rely on their telephones to call their doctor and this at that age, when they are elderly, is when they most require to call doctors. Some of these categories of people are not very wealthy and they have the added problem of cost. I think the result has been a very cruel one. It has created an anxiety on these people they don't know what to do, they don't know whether to keep their telephones, whether they will be able to pay for them, they have to take the decision that perhaps if they may feel they cannot pay for their telephones to get rid of them and then the anxiety of thinking: "Well, if I don't have a telephone and something happens to me what shall I do?" And

sometimes when they do keep their telephones what happens, they have got to pay, they have got to economise on other necessities, they have got to economise in other areas of their lives and their lives are being disrupted by having to pay for local calls. I said earlier that it was unfair on the grounds of excessive charges. It is unfair also on other grounds, too. Since time immemorial in Gibraltar it has been the practice and the custom for people to use their telephones a lot. Mothers like to telephone their daughters in the morning, brothers and sisters like to talk on the telephone, parents like to call their children and talk to their grandchildren, families generally have been in the habit of talking to each other on the telephone, all categories of people. I agree that sometimes they use them a bit too long, conversations a little bit too long. It is archaic, perhaps, that people were able to use their telephone free of charge but it is one of the last exceptions, one of the last little pleasures of life where we were a little bit different in Gibraltar, to everywhere else. The family life in Gibraltar has always been a very closely knit one and I think that telephones, and particularly because it was a free service, was able to cement the closeness. With the introduction of the charges, not, thankfully, that I think there is going to be any disunity on account of this, but I think there is bound to be less communication between families and friends and I think that is sad. There is bound to be less communication because people will not be able to afford to pay the charges that are being levied. I think it is particularly sad that these communications are going to be eroded when one thinks of certain sections of the community who are stressing, and very rightly so, the importance to keep family life together. The private sector relies heavily on the telephone service. Municipal charges, generally, are much higher in Gibraltar than in the UK, for example and of course this applies not only to the private sector but also to the whole of the community. We pay more for our electricity charges, water is more expensive, rates, income tax, and the free service of telephones was one of the only perks. It is archaic perhaps, as I said before, but one of the nice things that we had in Gibraltar and people didn't have elsewhere. The private sector, too, rely heavily on the telephone service for their business activity and they will have to pass these charges on, they will have to pass these charges on to the consumer and the result of passing on these charges to the consumer is obvious. It is going to make Gibraltar more expensive for the Gibraltarians apart from the fact that they are having to pay themselves more but they are going to have to pay a little bit more from what they buy in the shops and it will also make Gibraltar less competitive in the tourist market, for tourists coming to Gibraltar. So, Mr Speaker, in introducing these charges the effect has been a harmful one. What the Government should have done is to have spread the cost of the installation over many years and in

that way the Gibraltarian way of life would not have been disrupted. I am going to appeal to the Chief Minister, I am going to appeal to his better judgement, I say to Sir Joshua: "Be magnanimous, be generous to the people of Gibraltar as they have been to you over 40 years at election time and do away with local charges. After all, he is the one who ultimately decides - and give the people a Christmas present, it is the right time of the year, give them a Christmas present that they richly deserve". I commend the motion to the House.

Mr Speaker proposed the question in the terms of the Honourable G T Restano's motion.

HON DR R G VALARINO:

Mr Speaker, Sir, the point raised by the Honourable Member certainly bears no substance. He is totally erroneous and I intend to show how much he is mistaken on all the points he has put forward in his motion. With regard to the first part of the motion in which he says that there is an excessive increase in charges which the Government is imposing on the people of Gibraltar, I must remind him that there have been no increases in rental charges since April, 1980. Thus, for two years, rentals, both for consumers and residential subscribers, have remained the same. Furthermore, during these two years the Telephone Fund has received no contribution and has carried on a deficit from 1981 until 1982/83 and going on to 1983/84. Therefore, this really means that in two years the people of Gibraltar have contributed to the telephone service practically nothing. To come on to the subject which he has brought up, the extra revenue derived from local metered calls. The extra revenue for the month of October is £12,000 or just under £12,000. Since there are 7,000 lines at present this works out to an average of £1.71p per month extra revenue. He has mentioned that he has seen subscribers receiving bills of £40 and £50. I would like to ask him whether he has ensured that these monthly advice notices which give not only the number of units used for local and international calls, that he has ensured that this money does not cover the international calls which these people have used because the figure given at the end of the month covers not only local calls but all calls going through the IDD programme. Therefore, I can hardly see how the Honourable Member could have seen bills of £50 or £60 when the total amount of revenue for 7,000 subscribers is £12,000 which is approximately £5.14 per quarter and I would consider this hardly an excessive increase on the people of Gibraltar after almost two years. I will now deal with the second point, the unacceptable extra burden on elderly persons. This is not true. The allowance of 120 units per quarter will benefit the low calling subscribers and, in fact, old people are low calling subscribers and will in the main reduce their bill

substantially since in the future they will not be subsidising the higher calling subscribers and large businesses. I mentioned, in answer to Question 203 of 1982 and I believe this question was asked by the Honourable Member opposite, that computerisation of telephone accounts would make it possible to monitor monthly units and would enable Government to consider rental reductions at an early date. Old age people who continue to receive the free call allowance and whose rental may well be reduced in the future, will in the main pay less for a better telephone service than before. Let me add as well that I have talked and I have acquired from a certain number of old age people, in fact, pensioners, I have talked to them, and I have found out that they have not even used the 40 units in the month of October which tends to show not only that they are careful, not only that they are low calling users, but that there is no truth in the second part of the motion of the Honourable Member who refers to the unacceptable extra burden placed on elderly persons. The third part of the motion which the Member has put forward has also been exaggerated out of all proportion. There is no doubt that Gibraltar is a small closely knit community, very much unlike other European countries, and in my opinion local call charges do not in any way disrupt our particular way of life. Here I would like to refer the Honourable Member to the press in general. How many letters has he seen in any of the newspapers supporting this particular idea of his? The last part of the motion which is the longest part has also been taken totally out of context. He has mentioned IDD. Well, businesses have already benefitted to a large extent from IDD, and this is very important. The system of metering local calls only places the onus of responsibility on the user and Western administrations have replaced flat rate systems to time charging which is the fairest method if people then pay according to use. This is generally recognised as being the most equitable form of charging. In addition, it helps to smooth out peak demands at various times of the day and better use is made of the equipment. Taking the motion as a whole and the concept that Government should reverse its decision to charge for local calls, this is totally unacceptable. The correct and proper approach is to look at the revenue obtained from local calls charging and also any revenue increases that may occur in later months from international traffic, monitor this and judge accurately and advise as to the size of possible reduction in rental to both businesses and domestic consumers in the future. This is a far more equitable and democratic process, far more in keeping with our socialist thinking. Finally, since there is not much to say in this motion which has been moved entirely by the Honourable Member as a political ploy and nothing else, there is no doubt that if he would be in Government, God forbid, he would most certainly consider this motion as being totally without substance and totally, if I might use

the words, up the wall. Finally, let me say that Government does not agree at all with any of the points raised in the motion by the Honourable Member and will be voting against the motion in all its aspects. Thank you, Sir.

HON A J HAYNES:

Mr Speaker, I am addressing myself to the motion. I shall make a small contribution. The first part of the motion which calls for Government to reverse its decision to charge for local telephone calls on the basis of the excessive increase in charges which the Government is imposing on the people of Gibraltar remains unanswered, in my submission, by the Government Minister. In answer to a question in the October meeting of this House we were informed that as a result of unit meter charging for local calls and the continuation of the present rental, the Government anticipated an increase in revenue for a Quarter of £39,000. As at present it seems as though the figures are largely as they predicted. We have had £12,000 for the first month but in my submission, Mr Speaker, that overall estimated increase in Government revenue is conservative. Perhaps, as Government predicted, the increase in the first quarter will be in the region of £39,000 or £40,000. So, Mr Speaker, I believe that that is symptomatic of the great reserve which the people of Gibraltar have exercised in the use of the telephone and this also is reflected in the third part of the motion which refers the Government and this House to consider the invasion into what has become a culture, a Gibraltar culture, namely, the use of the telephone. I do not see why the Chief Minister laughs, I think his little paper has a telephone conversation of a gossip column at the back, has it not? The Chief Minister is perfectly aware of the importance of the telephone in Gibraltar life.

HON CHIEF MINISTER:

To talk about invasion of culture is taking matters to the extreme as the Honourable Member does on everything he touches.

HON A J HAYNES:

Well, we all know what the Government thinks on culture when they don't give the money to the

MR SPEAKER:

Order.

HON A J HAYNES:

If the Chief Minister wants to cross swords he must be prepared to expect a reply. As I said, Mr Speaker, the increase has for the first quarter been within the ambit suggested by Government i.e. £40,000. We are saying, Mr Speaker, that the figures are correct even in the circumstances where for the first quarter the Gibraltarian people are being very, very economic in the use of the telephone and the long term effect is, Mr Speaker, that either the Gibraltarian people will continue to use the telephone partly, and therefore only result in an increase of £40,000 to Government coffers or, Mr Speaker, after the first initial fright has passed they will revert once more to their customary usage of the telephone and then the Government will, in my submission, be confronted with an embarrassing increase in revenue and I would refer this Government to the British Post Office and their embarrassing surpluses as a result of high telephone charges and other communication services for which they have a monopoly, for which they can charge whatever they like and which they have overtaxed and which has now become a source of embarrassment. The profits are not warranted in conscience. We do not support a Government which finances its failures by overtaxing its monopolies. We believe, Mr Speaker, that that must be the reason behind the Government's introduction of local meter charges. They have thereby to raise enough money to sort out more difficult areas where they may be criticised at a later stage. We believe the effect is, Mr Speaker, that the Gibraltarian is being obliged to pay more money than is required for the rendering of the service and that I am afraid is not socialist policy whatever the Government benches may suggest it is and at the same time, Mr Speaker, they are invading an established norm. Perhaps the Chief Minister is accurate when he says that I exaggerate when I say that it is a form of culture, I believe that that is a form of culture, Mr Speaker, but nevertheless I would accept the Chief Minister's criticism and re-phrase it and call it an established norm, Mr Speaker. I don't think that a case has been made by this Government to warrant a changing of that norm. And then, Mr Speaker, if one considers the other aspect, the other points which are raised in this very extensive motion, which have not been answered, Mr Speaker, it seems as if the Government does not want to have a House of Assembly. Their attitude is that the motion is embarrassing, let us get through it quickly, no one talks, the Minister replies, two or three words, finished. And the people, Mr Speaker, are very concerned at the charges raised on telephones. It is a matter worthy of public debate and we do require answers to the points raised. Mr Speaker, it has been brought to my attention that certain elderly persons who could afford the rental on their telephone and who live their safety line there, their only communication with friends and family to

purchase this and that, to bring them this medicine, to bring them this sort of food or whatever, over the telephone. These people find that they cannot pay those for the unit meter charging and the rental and as such these elderly persons are having the quality of their lives eroded and that again is not what a socialist Government stands for and certainly not when we are talking about an elderly person sector of the community. We already know with what cynicism they treat the elderly persons of Gibraltar, to wit, their stubborn refusal to accept our request for removal of taxation on the elderly persons pension. Mr Speaker, lastly the private sector. Again it seems as if the private sector are being required to pay for the sins of Government. A private sector which today, Mr Speaker, is facing a very serious threat to survival. It has the increased burden of responsibility in the event of the dockyard closure and we will all expect the private sector to rally round and help and maintain the economy and provide a substantial base for diversification, and we have the other threat, which is also a potential benefit, in the opening of the frontier. We all know that an open frontier could be a launching pad for the private sector but at the same time, Mr Speaker, the private sector has been atrophied by 15 years in the cold and the re-alignment and the re-acceptance which will be required of the private sector to meet the competition, to meet the demands in the event of an open frontier is considerable and that, Mr Speaker, requires capital. We have already seen in the last few years certain firms in the private sector going under. We do not believe that if Government was making ends meet with the rental system that they should now impose on the private sector the burden of unit meter charging. This is a very serious matter, Mr Speaker, and I do hope that the Government will in reply to this motion answer these points one by one.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I feel I have obviously to comment on this motion because it concerns the finances of Gibraltar, or part of the finances of Gibraltar, and I have a certain responsibility for this. I will obviously will not comment on the social aspects of the motion, I think that is a political consideration more than anything else. First of all, I would like to refer to a point of technical detail. I think that the question of repayment of the capital borrowed for the IDD coding which was just over £1m, cannot be examined or considered in terms of arranging a soft financial repayment basis for the Telephone Service Fund, for example, I do not think you can spread it over generations. I think one has to be realistic and take account of the fact that, if anything, of all the four services which the Government administers, the telephone service is perhaps the one with the highest technology and the most rapid change. We have borrowed this

money largely on export credit and the repayment of a loan which is over a period of 8½ years and we are spreading the burden to the consumer over the life of the equipment which is at a maximum of 15 years. If we were to pursue what I would call bad accounting over generations, and a generation is 30 so if you take two, at 60, obviously the cost would be fairly low on the capital charges on the fund but as we replaced telephone systems in the future over those 60 years we cannot run away from the reality that there will be more and more costs on the capital side and in effect we would be producing the same result, making a certain assumption about rates of interest and inflation but basically we would be doing the same thing. I think one has to follow good accounting practice and repay the cost of the equipment by authorising the cost over the life of the equipment. I was going to concentrate on two aspects of the motion. The first is the reference to excessive increase in charges. I think the first point is that it is too early to actually conclude that. What I can say is that on the basis of the figure which was revealed by the Minister for Municipal Services of £12,000 income from local metering, if we take it as an average which I am not inclined to but just for the sake of argument at this point in time we take it as an average, the estimate for the year, £82,000, will be short by £10,000, so we have not been conservative. If we also examine that £12,000 figure for the month of October, it fits in fairly closely with the assumptions made by the Government in establishing what sort of charges should be levelled for local metering and for international calls and it confirms the decisions that we had to make. Obviously we were very much in the dark moving into a new market, so to speak, but we based ourselves on the experience which has been felt in other countries in the world, in other words, we took the level of calls, the rate of calls, and we made assumptions about the fall in demand which was inevitably to follow and we arrived at our figures of what would be the average bill for a domestic consumer and what would be the average bill for the business consumer and at the moment, on the October figure, it is clearly slightly lower than the figure which we had estimated, but, obviously, a month, I think, it not enough to work on. I think there is a very clear contradiction on the point made by the Honourable Mr Restano in saying that the burden of the extra cost should be met by the users of International Direct Dialling, that there should be no local metering at all. I say there is a contradiction because in his fourth paragraph he refers to the serious extra imposition on the private sector and in the first he refers to the excessive increase in charges. If we were to pass on the increase in local metering to international calls and working on the projected deficit for the fund, we would have to practically double all international charges. If we do that then we would still be imposing an extra, I am not going to put adjectives, an extra imposition on the people of

Gibraltar and particularly on the private sector because if we go exclusively on international calls we would be placing a proportionately higher burden on the private sector than we are doing at the moment by splitting it between local and international. Therefore the effect on prices, the effect on Gibraltar's competitiveness, will be even greater. I think that is an important point having regard to what the Honourable Mr Haynes was saying. In other words, that in looking at the whole question of charges for telephones we must look at the economy, the current threat to the economy, the importance of expanding the economy. I would say that by setting a reasonable level of charges for both local and international calls, we are obviously imposing an extra burden, there is no doubt about that, but on the other hand we are spreading it reasonably evenly and allowing the private sector in particular to obtain the benefits of making automatic calls all over the world, in other words, there is a benefit which has to be considered and that is that if business can reasonably, and I say reasonably because it would be possibly unreasonable if you were to double charges on international calls, but if businesses can reasonably phone worldwide and carry on their trade, if we can get banks to come for finance centres and obviously a finance centre cannot really survive without IDD itself, if we provide that kind of service then I would argue that to an extent we are reducing costs because by providing the business sector with a more efficient service we are helping to speed up their rate of activity and thereby reduce the unit cost. The impact on the cost of living is not just a straight arithmetic addition of pounds and pence in the bill, we have to look at the other side of the equation and how the service itself assists the business in carrying out its trading activity. It is difficult to quantify but I think that one has to present both sides of the equation. If I referred specifically to the impact on the cost of living I can say that on the basis of the projections which we have and which are being confirmed so far by the October rental figure, the estimates for the increase in the Index of Retail Prices for domestic consumers will be .2 of a percent. I don't think that that is excessive, Mr Speaker. Obviously it is much more difficult to assess the impact in terms of the effect on prices and how businesses will adjust their prices. But if we take the argument in a fair manner I think one can safely say that telephone costs cannot account for a substantial percentage of turnover. One has to look at it in proportion. My projection on the percentage increase on a business bill is well over 50% over the previous estimate but that is an additional £100, £120 a quarter for a business. Obviously the impact would vary from business to business. I would just like to say in that context that unlike the domestic consumer who would also have to meet an increase if we were to pursue the proposal from the Honourable Mr Restano, unlike the domestic consumer who feels the impact directly and in totality, the business consumer can offset the additional cost

against his tax return or his tax liability rather. If we look realistically at the facts, the facts that there is a deficit, the facts are that we have to repay £1m over the life of the equipment and if we don't want to penalise one consumer unfairly as opposed to the other, then I think that one has to charge for local calls in fair measure and I think that the statement by the Honourable Minister for Municipal Services is a genuine one but one has to monitor this and see what the impact is going to be at the end of the day and then it will be a matter for political judgement against financial realities as to whether the charges should carry as they are or whether the free call allowance should be higher or not, whether the rental should come down, there are all sorts of permutations and combinations but I think that if you attack the principle of local metering then you have to face the fact that you will have to impose a very severe burden on the IDD users and in particular on the private sector, which I think in essence goes against the first and fourth paragraph in the motion by the Honourable Mover. Thank you, Mr Speaker.

HON MAJOR R. J. PELIZA:

Did the Honourable Member say that the sum required was £82,000, did he say that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker what I was saying was that the deficit for 1982-83 in the Estimates, on page 109, shows that the revenue from local call metering in the Telephone Service Fund in the Estimates is £82,000 and that the October figure for revenue for local call metering is £12,000 so if we do a straight average and multiply by six it is £72,000 so we are £10,000 short and therefore we are not being conservative as was suggested.

HON MAJOR R. J. PELIZA:

I think I would like to start by commenting on what the Minister himself said when he said that the Government was taking a socialist line by adopting it this way. I wonder whether the socialists believe that this is the sort of line to take, I doubt it. I think the socialist line is to make no charges at all and pass the bill on to the taxpayers and therefore be more equitable that way. I doubt whether I think the Minister can say that that is a socialist approach to the problem. I don't think it is a socialist approach. I think that was a bit of trying to make a political point or playing to the gallery but hardly I think a sensible statement by a Minister who is responsible to a department which I think is playing an important part in the way of life of Gibraltar. I think that there has been lack of imagination in introducing

this change. I think we must all agree, and I doubt whether anybody here does not agree with this, that because in the past there has been no charges for telephone calls people have got into the habit of contacting friends for minor little things. The point of picking up the phone and making a call almost at any moment of the day that came to your mind was something which is very natural in the family all the time. The telephone was a friend in the home, a very good friend with ears and a mouth it was something that you could talk to any friend in Gibraltar at any time, without any form of restriction. But suddenly the whole thing has been transformed. Now instead of the telephone being a good friend it is someone who pinches money from your pocket and you have got to be careful and you have to tell all your family not to use the phone. That is the attitude in the home today whether we like it or not. And what about the poor old ladies and old men who find that this is the only way of keeping contact with the family on the other side of the street or the other end of Gibraltar or what have you. I know elderly persons who are connected with my family who used to spend hours every day on the phone. Now they are huddled up in one corner and they have no other contact in the world with their own friends any more. Where is the caring side of the Government? Haven't they given thought to that at all and they cannot say that they weren't warned because we told them time again that this was going to happen. And now what happens, you find that people are completely restricting their use of the telephone. That is a fact in any home and if not I suggest that the Government makes a survey, pass through a questionnaire and see what replies they are going to get. The answers will be exactly the same thing that we are saying here today. They have completely ignored the feelings of the people of Gibraltar, no caring at all for the disruption that they are going to cause to social contacts in this way, hardly the socialist line I must say. I don't think that a socialist Government would have thought of doing it that way. I know that we obviously have to square our books, no one is suggesting that we shouldn't square the books but there are ways of doing this without really interfering all that much with the way of life in Gibraltar and perhaps you do it over a period of time if it is necessary to do any metering. I don't know whether in the process of time it is going to be proved that it is necessary but what has happened is that the Government has taken no notice of feelings and have said it is a question of squaring the books above everything else and whatever happens it could not care less. I can see from the point of view of the Financial Secretary that that is his baby and that is what he wants to do. But this is a constant fight in any government, the Treasury are only interested in keeping the books straight, they are the book keepers, especially in our kind of government where the Financial Secretary doesn't form part of the political party at all and

therefore he essentially sees it from his own department point of view. And this is the way that quite rightly the Financial Secretary spoke today. But government is not just keeping the books balanced, of course not, if government was a question of keeping the books balanced then there would be no point in our being here, let the civil service get on with it and forget about the effect. That, obviously, is the big mistake, in my view, the big blunder the Government has made. The same thing is happening in Italy where for the first time they have introduced metering for telephone calls. And because they probably have the same character as we have they find the same problem, so what is the answer? The answer, I think, is that we should have done one thing. Instead of trying to make sure that we balance the books first, we should have first of all given a chance to people to carry on using the phone in the way they did and you would have found, in my view, that people would not have been so frightened of using it any more. Give them plenty of free units, plenty of them. In that way I think you first of all you accommodate the elderly people who would have been able to carry on using the phone. You would not have put the sort of brake that you have put on now and there are lots of people who would use the phone much more if you had not from the very start put a barrier to their using it and therefore, in my view, you would still be getting the same amount of revenue that you are getting today without in any way upsetting the way of life in Gibraltar. I do hope that after what the Government has heard here today, it will change their attitude, that they will see the social disruption that they are causing in Gibraltar and that they will increase the number of free calls by a significant amount. I hope the Chief Minister takes great note of what I have said because if he does it that way, I think it will again give a chance to lots of people in Gibraltar to carry on using the telephone as a friend as they have always used it in the past and at the same time I do not believe that he will be short of cash as time goes by. In fact, as I have said before, if they had given some more free units I have no doubt in my mind that the amount instead of being £12,000 would have been much more because lots of people would have used the phone much more than they have used it today and would not have put the very drastic restrictions that they have put on themselves particularly people with money. I have no doubt in my mind, and I stand to be corrected, but I think I can make a prediction that those £12,000 will start going up, not down. I am glad to see that the Financial Secretary agrees with me.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If the Honourable Member will give way. I was nodding in the sense that I said, originally, that obviously it was too early and that I personally would not work on one month's figures but it could go up and it could go down. It is a matter of conjecture at this stage.

HON MAJOR R J PELIZA:

Well, my assessment, and I am sticking my neck out here, it will always it will go up. My judgement is that it will go up, because you just cannot do away with a habit, just like that. Whilst at the beginning like not smoking. I think people will go back to the phone and they will carry on using the phone more than before as they start forgetting what it is going to cost and more money will be coming in. Therefore, what I am trying to say is that the Government has put the cart before the horse, that is what they have done, they have put the cart before the horse and that they will, in my view, be able to increase the number of free units. What I am saying is that because that is the case, because I am sure it is going to be the case, and this is why I think the Government should take a calculated risk and give more free units and then of course, if in fact it so happens, because the Government can always put matters right, this is not a business which is going to go out of business. The Government can always get the money back if they want to. It is not like a private enterprise that once they put the capital if they lose it they go bankrupt. I think the Government can, if they want to, see the matter in a more humane manner, not completely ignoring the feelings of the people of Gibraltar, do it in a fair way, putting the onus on themselves and not really on the consumer and do it in a gentle manner. I have no doubt that the people would not have resented it so much and I have no doubt that this debate would not be taking place here today and therefore taking up the time of the Government which I think they need to do other things because there are plenty of things for the Government to do that they are not doing. Mr Speaker, therefore, I do support the motion, I think it is right that the motion should have been brought here. I hope that from this debate something will come out of it and restore to the people of Gibraltar the telephone communications which is so close to the normal way of life in Gibraltar.

HON M K FEATHERSTONE:

Mr Speaker, it seems that the Opposition like to work on double standards. When it suits them everything should be done in the UK style, the way the things are done in the UK are the best way going, the acme of perfection, but when it does not suit them then of course we must have our own special Gibraltar way of life and the telephone seems to be one of those things. Some of the points raised by the Honourable Mr Restano bear a little bit of investigation. The person who got a bill of £50. Well, that person if he got that bill entirely for local calls, must be spending at least 15% of his waking hours on the telephone. Surely, that is not the intention of telephones that you spend hours on the telephone, although the Honourable Mr Peliza seems to think that that is quite a reasonable thing because he says

elderly people used to do that sort of thing. Of course, you might have an emergency in which you wanted to get through to somebody and you could not get through to them because their line was always engaged, it was the boyfriend ringing the girlfriend and you could not get through to perhaps the father of the house for something important because the conversation was going backwards and forwards for half an hour or one hour non stop. Will it disrupt families? I do not think that it should. Perhaps what might be considered by some to be a little bit of an irksome duty, going to visit grandma or something could be overcome by a natural physical visit, to go and see the person rather than just fob them off with a telephone call. Now for the business sector, they are very hard done by. And yet the Honourable Mr Restano has not mentioned the point that IDD has helped the business element very considerably. Today you can make a phone call and get across what you want to somebody in, for example, the UK, in 30 to 40 seconds which will cost you less than 50p, whereas before we had IDD you had to pay for 3 minutes come what may, £1.50, or £1.70; so the business element is gaining money through the introduction of IDD and perhaps a little of the money they are gaining from their overseas calls can be offset against some of their local calls. Also if they rationalise their business when they have to make a call to make an order, they will order all the things they want rather than the old haphazard system in which they used to order 6 things and then half an hour later they would discover they had forgotten something and ring back, disorganise the receiver who was getting the order ready by having to put in extra bits in etc., so a little rationalisation will not hurt the business sector either. The whole system of cost, Sir, also devolves on what the Acting Financial Secretary said. Had we put all the extra costs of IDD into overseas calls, I am sure the Opposition would be standing up today and saying it is unfair that it costs £X to phone from Gibraltar to London when it only costs half that amount to phone from London to Gibraltar. So whichever way we did it we would have been wrong. The socialist system, well, I would think that the best system, and I think it is the system which the Government intends to work for, is that you should pay a nominal rental for having a telephone and in all equity you actually pay for what you use. You are the arbiter of how much you pay for your telephone bill every month, or quarter, as it comes in. If you want to use it a lot, then you should pay a lot. That is only fair in equity. If you do not want to use it a great deal, then you will only pay a little. This is the system that it should be, that is the system that I think Government will work for, a nominal charge for having your telephone connected and the rest is up to you.

HON CHIEF MINISTER:

Mr Speaker, I wanted to say something. First of all, I would like to commend and congratulate the Acting Financial Secretary for his maiden speech in his acting appointment. I think he very properly kept himself within the parameters of his appointment to the extent that it was so convincing that there was a chilled atmosphere for a while and nobody dared to get up because he had faced the reality of the situation in terms of the cost, until the Honourable and Gallant Major Peliza plucked up the courage to say that we should not listen to the Financial Secretaries, we should use our hearts and that all Financial Secretaries look at these things hardly. It is because he was looking at it realistically that it has such effect on Members opposite. And, of course, it is his duty to do so and it is our duty to consider, as he said. The social aspects of the matter are purely political for which we assume full responsibility but they must be guided by sound financial practice otherwise they are completely disorganised. I know that the Honourable Mr Restano has been feeling in anything where he takes up the cudgels he is constant to the extreme and naturally I did not expect anybody else to move this, I expected him to do that. I expected more of him. At the beginning I almost felt as if I was going to cry because of all the woes that were coming to the community by the way in which he presented his motion. Then he made an appeal to which I will respond in equal kind terms as he made his appeal. But I think my colleague Mr Featherstone has dealt with the main matter, the main problem here, and that is that like electricity, like any other charge, the bigger user should pay more and it should be much more equitable than pensioners and old people; for whom I have the greatest respect and regard, should pay for what they use and not for what they do not use. Therefore, we have to gear ourselves to a system whereby the subscription, certainly the domestic subscription, should be the very minimum that the system can have and the rest should go in calls which are required. In fact the Honourable Mr Haynes was kind enough to withdraw from the extreme statement to say that it had been an invasion of our culture, he watered that down a little. But has anybody thought of the benefits that this has brought? Has anybody thought of the peace that it has brought to many homes not to have a lot of boring calls being made to people, because it is all very well for somebody to be able to make a free call but is the other chap on the other side or the other lady prepared to receive it or put up with the nuisance of calling and calling and calling from a number of people who have nothing to do but that. I can certainly say that my house is much more peaceful now since the calls that are made are really worthwhile and not absolutely silly calls for anything, apart from the normal nuisances that one receives as a result of being in office.

HON MAJOR R J PELIZA:

Would he put it to the test and put it through a questionnaire to the people to see what they prefer?

HON CHIEF MINISTER:

We could put many things to the test. We are arguing the matter now and I am glad that my argument has evoked that reaction because it shows that there is something in it. I can assure Members that there are many people who do not want to receive the free calls but are bored by people who have nothing to do but use the telephone because it does not charge and that the peace has entered into many homes because only the real calls that are important are now made. That is one aspect of the matter where I think a great benefit has been achieved that you do not get interrupted at every moment because "Cloti, is your television going, or is it that mine is gone or is it Spanish television or GBC that is at fault?" You cannot do that anymore because you say "This is going to cost me 4 pence, why should I do that". It may well be to some extent, as the Honourable and Gallant Member said, it may be that after the first month or two people will start again but it will always be restrained because picking up the telephone once you have taken up your free calls means that you are paying 4 pence and you have to think twice before you can call Cloti or not, whether it is worthwhile calling her. So really, it is much more sensible the way it is being done now. What would have been the reaction of Honourable Members opposite if instead of having been £12,000 that had been collected from local calls it had been £20,000? They would have said "There you are, you are getting the money rolling in, you have provided for £80,000 and you are going to get £120,000". We would have under estimated completely the great urge that there are for silly calls. I think the projections are reasonably sound and I think that perhaps there may be a little increase when people think that, after all, it is not as bad and people realise that they have to take into account the overseas calls and so on. But if, in fact, the average, having regard to the figures given by the Honourable Dr Valarino, the average is £1.1 in a monthly bill, domestic rates are £20.70 a quarter so that if we could reduce that, I am not making any promises or anything, it is a matter of possible results of the final analysis after a few months. By £3 a quarter you are giving now what people are consuming back to them, and they will not be worse off. The old dears will not be worse off. They will be able, perhaps, more freely to use and perhaps make a saving in the end because some people do not have to make so many calls. A few people do make a lot of calls. The other aspect of the matter is, as I think was mentioned by one of the speakers from this side, that the peak hour where you make the important calls should be free, and it has also a bearing on the working of the exchange. The exchange has got a lot of statistics to

show the peak time, the element of wear and tear, and I think that what the Financial Secretary has said answers completely the idea that the matter should have been spread over generations. I make bold to say that 15 years is more than generous, that in these days of changing technology in 10 years we shall see a lot behind and we shall need, if we want to keep up with the times, to replace the equipment for much more modern and sophisticated ones that would be installed in the richer countries and that there will be a demand in this place for it to be installed. So that all in all I think we are taking a very right and proper line and I regret to say that much as I would be happy to give the Christmas present that has been requested of me, I would give many Christmas presents, but I would not like to give one that would burden people in the future and that they would curse me for it rather than thank me for it. There was one other point that was made and that is, on the one hand the Honourable Mr Haynes said that we want to brush out debate. I have never attempted to even introduce, which is something that applies in many other parliaments, time limits on question time, or time limits on debates, I have never tried to do that, I do not know why, I have been here only 32 years and I have never tried to curtail debate for this young man to come and tell us that we want to brush it off. I think we are giving this debate and every debate that has come to this House the time, the attention, the importance that it deserves because this is what we are here for and I do not resent the motions any more than I resent anything that happens in this House. This is what we are here for and this is what we were elected to do. But on the other hand, the lack of coordination in Members opposite, on the other hand comes the Honourable and Gallant Member saying: "Come on, agree with us and get on with something else. We are wasting your time here, you ought to be doing something better". Now which is it, what Mr Haynes says in one moment or what Major Peliza comes from England to tell us. Which of the two is it? Really, in the final analysis, as has been said, this is really playing at politics like the motion of censure on the electricity which misfired completely. It is playing at politics, it is trying to curry favour with a few for the sake of doing something in what I have already called the frustration of being in opposition.

HON P J ISOLA:

It was a serious debate until the last two or three sentences of the Honourable and Learned Chief Minister on the question of politics. This is not playing politics, this motion. We have opposed local metering of calls ever since it was announced some years ago, or a year ago. I have heard with great interest what the Acting Financial and Development Secretary had to say and I certainly congratulate him in the manner in which he has put forward the facts and stayed away from fiction. But, Mr Speaker, what the Financial and Development Secretary omitted to say is that if this Government had acted with energy and with foresight not in 1982, but

in 1975 or 1976, when the idea of IDD was first mooted and asked for, we would not have a charge of 11m because it is exactly the same as the power station, and I will not go into it. The cost which it has to pay is now far greater than if we had an efficient Government, had dealt with the matter efficiently, got on with it and we had IDD at an earlier date. And then he tells us about the rapid progress in the technology in the Telephone Department and therefore we cannot agree, he says, to a longer repayment plan. But I think that is something he need not worry himself about because I know technology advances rapidly but it is not one of the hallmarks of the Government that he serves. Although technology will advance we will not necessarily get the new equipment until the Government is pressed to supply it. So, therefore, it is likely to be with us, the present equipment, I would imagine, rather longer than he himself suspects. Mr Speaker let me just say one thing. Looking at the Telephone Service Fund, I notice that Personal Emoluments, for example, go up by £42,000, from 1982 to 1983, in Page 109, and that the Trunk Call Service Charges go up by £54,000 odd, one can balance the other. I also notice, though, in the Personal Emoluments Vote, for example, that there are 9 Trunk Call Operators and that the Temporary Assistant Trunk Call Operators for 1982 to 1983, was in fact increased from 8 to 9. Obviously, with the introduction of IDD, the need for Trunk Call Operators has probably diminished, but I think Government were quite right to say, "No, let us see how it goes". So they increased the number of Trunk Call Operators required from 8 to 9 even though the projection, even conservative projection, must have shown that the need for them would obviously diminish during the year in question but the Government took the prudent, cautious, conservative view of actually estimating for more Trunk Calls Operators when in fact the need for them were obviously going to be reduced with the introduction of IDD and we do not quarrel with it. What we do say is, why could they not have adopted the same waiting policy on local metering? Why could they not have said: "Well, let us see if IDD produces this extra revenue in extra trunk calls and then let us review the situation at the end of the financial year. Why push it on to people? Because whatever the Honourable and Learned the Chief Minister may have to say, it is a fact that elderly people who live alone are frightened by the charges that they may have to pay. The elderly lady the Honourable Minister has met and who has been surprised to find or who didn't have to pay anything extra, it is a question of paying extra they are already paying extra, those ladies were and are very conscious because they are afraid of getting a bill for telephone charges which they may not be able to meet when they get the bill at the end of the quarter, so they are being very careful. It is not that the allowance is generous, it is that they are constrained by the fact they have to pay and those elderly people who live alone rely on their telephone not just for gossip but to find out

how the rest of the world is living, how their grand children, etc., are getting on. It is not a question of Cloti and Toti, it is a question of a genuine desire to find out how her grand children or her children, or her daughters or so forth, are doing. Those people are being affected, it is no use the Government saying they are not, they are cost conscious. I can tell the Minister that one elderly lady in particular was horrified because she had spent 54p during the month of October because she was counting her calls so that she would not have to pay anything extra. It was reported to us by her family, by her son, not Hassan, by her son. This is a fact and we all know it and I am sure the Government equally with us would like to do something about it if this is a genuine problem. We believe it is a genuine problem, that is why we are asking for it. The point made by the Acting Financial and Development Secretary about the IDD calls that if the Government was to do away with local calls it would have to double IDD charges. Well, I do not believe that is in fact correct.

HON CHIEF MINISTER:

If the Honourable Member will give way. What he meant was our part of the international charges, that was our share of it, not the international part of the share, but our share.

HON P J ISOLA:

I say that because I think the International Dialling is going to be used increasingly more and more and it is being used increasingly more and more. It is very convenient, Mr Speaker, for business people and even private people who have got children or students in England to just pick up the phone and dial than have to have the old system of dialling 00 and if you were lucky you got an answer in 5 minutes or 10 because of whatever the reasons were, and then you had to wait a long time before your call, you had to get in the queue and all that. Now when people find that they can just pick up the phone and dial the increase is going to be enormous and I believe that is being underestimated, possibly not in the first year of operation but certainly for the second year. And I don't agree with what the Honourable Mr Featherstone said about ringing up England on a business call and talking for 40 seconds, I don't know what sort of business he is thinking of but my experience is that you have to speak for anything a lot more than 40 seconds. The question of International Direct Dialling I think the Government, after all it was still subsidising, it was still carrying a deficit of £120,000 into next year, I think that the Government could have said, "Let us wait, let us see what the trunk call service produces, let us see the number of operators that we now need after the end of a year and then let us see if we can make economies and not

necessarily just pass on charges to the public. Let us become more efficient and see whether we can become more efficient at the end of the year. Let us not just get a book, open it, and say, "This is the expenditure, this is the income and that's it". This is what has been done and that is why we object. The question of the average bill the Minister talked about of £1.07p. I have heard this before, Mr Speaker, when electricity charges go up, it only means in the average household so much. Water goes up, it only means so much in the average household but I can never find an average household, Mr Speaker, because you speak to anybody and they all seem to be paying more. There must be about 1,000 people in Gibraltar who spend nothing on anything and they help the Financial and Development Secretary enormously when making his estimates about the average household. I am convinced it must be that. I used to remember, Mr Speaker, a very wealthy man who did exactly that, he never used electricity, never used anything, he died a very rich man and charity got the lot. This must be it, Mr Speaker, as I said, I have met a great number of people who have had their telephone bills and have complained about the amount, so this average business just doesn't wash with us. The question of the way of life in Gibraltar I think is a point that has to be taken into account seriously. It is the way of life in Gibraltar for people to pick up the phone and ring up their relatives or their friends and if we can afford it why shouldn't it be like that, this is what we say, why shouldn't it be like that? Already the Government is retreating actually from the position because we have already been told: "We shall see whether we can give more free calls. We shall see what we can reduce the quarterly charge. We shall see as we go along". Well, why put it on? First of all why not see what happens with IDD and then make your decision, why put people through all this hassle. The question of the business side, I would like to say something on that because the extra imposition, Mr Speaker, let us not forget, is not just the extra imposition of businesses paying more. We must not forget the extra charges which the Government itself is going to pay for local metering. Last year I think in the estimates we were told it was £100,000, roughly, the amount the telephone service had cost the Government in all the various departments. What is it going to be this year Mr Speaker? We shall know at budget time. We are told rules have been made about people not using the phone in the civil service and the various Government departments and the Government is spending a lot of money in installing coin boxes so that people use them and so forth but forgetting all that, what is going to be the cost at the end of the year and that is going to fall on the private sector by way of ordinary taxation expenditure. I agree with my Honourable and Learned Friend Mr Haynes that at the moment I think he was talking of suddenly the private sector surging forward with the opening

of the frontier and I hate to have to have to disappoint him on this, I don't think the private sector is going to surge forward with the way the frontier is going to open. If it opens fully it is another matter but at the moment if the frontier opens in the way that it appears it is going to be opened there is going to be more burden still placed on the private sector and therefore is it right to experiment at this time. Mr Speaker I think that arguments, very strong arguments have been put not just today but in the past, why we should not have local metering. The phone used locally is a way of life, it is a great protection for elderly people, it is a way of keeping families together, everything is to be said, I think, for free local calls and very little to be said, I think, for charging people for using the local calls in the circumstances of Gibraltar. Government has made its decision, it has charged, we are putting this motion down because we think and the public must know how we think that there should not be a charge for local calls and we put the motion, for example, of censure on the Government on the question of the Electricity Undertaking because we thought the public must know, how we felt on the disastrous way in which that situation had been managed and apparently continues to be managed and this is the place for us to bring these measures. We are not playing politics. Every time the Government does something it is in the public interest and everybody thinks it is fine and wonderful and then all their various organs, if that is the right word, then say what a wonderful thing it is, it is all repeated on and on and in the end people believe it. This is the trouble. But, Mr Speaker, arguments have been put forward why the Government should reverse its decision which are perfectly valid and have great weight and I think the Government should reconsider their position now and agree to the motion.

MR SPEAKER:

If there are no other contributors I will call on Mr Restano to reply to the motion.

HON G T RESTANO:

Mr Speaker, I am going to go through some of the points that have been raised by Members opposite. The Minister, the Honourable Dr Valarino, spoke about the deficit there had been over the last two years but he also said, I remember, some years back, how proud he was of running a department which was virtually paying for itself. It means that he has allowed over the last two years for a pretty hefty deficit to occur and I think that perhaps that is one of the reasons why the Government has seen it fit to impose these local charges. Instead of going for the efficiency of his department he has merely thought: "Ah, well, why

should we worry, here is a golden opportunity of charging the people to overcome those deficits". He said that he didn't think that people were very much against, that some elderly people had not used all their free units, of course not, and as I think the Honourable Member here has said because they aren't go near the telephone in case they have to pay much more than what they had to pay before. And then he gave the impression that people weren't against this and he said: "After all, there have been no letters in the press. I wonder whether he takes that as a criterion of public opinion and I could say to him that if that is what he requires to take the calls off, let people write, if that is what he is saying, and I am sure people will write in the same way the Chief Minister who said that people didn't like receiving telephone calls but when my Honourable and Gallant Friend here challenged him and said put it to the test, he recoiled pretty quickly. I think that to a certain extent perhaps Members on the other side do believe that because Mr Featherstone also said that people were talking non-stop and they were always engaged and you could not get hold of the head of the household to talk about something important so, presumably, I must take it that those local charges in part must have been imposed as a deterrent to people to use the telephone. That is the real reason, that and the fact that perhaps the department is not working as efficiently as it might be. I, too, would like to congratulate the Acting Financial and Development Secretary on his maiden speech, I think he obviously studied his subject very well before coming to the House and I think he gave a very creditable performance. There is no doubt, Mr Speaker, that the imposition of these charges have hurt people, have hurt them pretty badly and it will continue to hurt them whilst the Government continues in its insistent position of not agreeing to reverse the telephone calls. It is a bit of a cynical attitude and the Chief Minister seems to take it very lightly, he doesn't seem to give the matter enough importance but, anyway, there we are, I think he is there for the next 18 months and Mr Speaker, I think all the arguments have been put and I think that is all I will say.

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

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

The following Honourable Members voted against:-

The Hon I Abecasis
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 E G Montado

The following Honourable Member was absent from the Chamber:-

The Hon A J Canepa

The motion was accordingly defeated.

The House recessed at 7.55 p.m.

FRIDAY THE 10TH DECEMBER, 1982

The House resumed at 10.45 a.m.

HON P J ISOLA:

Mr Chairman, I beg to move the suspension of Standing Order No.19 to enable the motion that I gave notice of on the 8th of December to be moved notwithstanding the five days notice has not been given as required by the rules.

HON CHIEF MINISTER:

Mr Speaker, because of the importance of the matter, I am quite happy to advise my colleagues to give way to deal with this matter but I would like to say that it should not be the practice. Because we are not going to meet for a long time and this is perhaps the best time to do that and I certainly welcome a discussion on this matter, but I would not like this to be a precedent for normal business of the House.

MR SPEAKER:

Standing Orders can of course be suspended with the consent of the Speaker. I use my discretion liberally, taking into account the consensus of the House and consent is most certainly granted in the circumstances and I will then put the question that Standing Order No.19 be suspended to enable the Honourable and Learned Leader of the Opposition to move the motion of which he gave notice on the 8th December 1982.

The question was resolved in the affirmative and Standing Order No.19 was accordingly suspended.

HON P J ISOLA:

Sir, I move the following motion standing in my name: "This House considers that so long as there is only a partial opening of the frontier, the Gibraltar side of the frontier should continue to open and close as at present and further that urgent consideration should be given to the possible damaging effects on the Gibraltar economy of the proposed manner of opening and steps taken to protect Gibraltar interests following from the absence of Spanish customs facilities". Sir, let me say straight away that we do not intend to make it a practice on this side of the House to move motions that require the suspension of Standing Orders. I think this is the first one that we have in fact moved but as has been stated by the Honourable and Learned Chief Minister and by you, Mr Speaker, this is a matter of some considerable importance and because of the fact that we will not be meeting again until well after the proposed opening, we do think that this is the appropriate kind of situation where the suspension of Standing Orders is not only legitimate but desirable. Mr Speaker, the Spanish Government announced on Tuesday night that it intended to open the frontier for pedestrians unilaterally. There was no previous consultation, as I understand the situation, with the British Government on the matter, it was just a unilateral act on the part of the Spanish Government and expressed to be on humanitarian grounds. I think one has to go back as far as this particular announcement is concerned, one has really got to go back to the programme "Man Alive" in July when the present Spanish Foreign Minister stated in the course of that programme that the Socialists did not agree with the restrictions and if the Spanish Socialist Party got into power, as they fully expected to do at their next general election, they would remove the restrictions. What happened on Tuesday evening, the decision taken by the Spanish Government on Tuesday was, perhaps one could say, a step in the right direction but it was very far removed from what had been stated by Señor Morán during that programme. He said that the restrictions were a mistake, he said that a Socialist Government would take them away and so forth. But what has happened has been something rather different, what has happened has been an announcement very carefully phrased, very carefully phrased, aimed at, I suppose, pacifying the different elements in Spain but as far as Gibraltar is concerned, aimed at purely and simply allowing people to cross through the frontier on a pedestrian basis but at the same time protecting all the various Spanish interests that could be affected in the opening of the frontier. It has not been a generous gesture, it has been

a calculated gesture and I think the response must be carefully measured to the gesture itself. The announcement was referred to in The Times of Wednesday and it is interesting to see how that newspaper picked up the announcement. They quoted Señor Gonzalez as saying that when the frontier gates opened permanently Spain would be watching to avoid what he called negative economic repercussions for the country's economy - Ceuta and Melilla. Only one passage per day would be allowed to prevent undesirable economic activities, camouflaged as visiting. There are to be no customs posts only police control. And he said that to protect national interests special attention would be given to maintaining traffic at Malaga Airport which would now be challenged by Gibraltar Airport which received subsidies from Britain. So that the Spanish national interest was being very carefully looked after and in addition, of course, he said in the press conference that they would protect the interests of Ceuta and Melilla. In other words, it would seem that that statement and one can only take what he said, one cannot start making judgements and predilections, well, one can but one is likely to be proved wrong if one starts speculating but looking at the statement as it was made, the statement was directed at people but not at economies, in other words, it was directed at allowing people from Gibraltar to visit Spain and presumably vice versa without any particular conditions except that they could only go through once a day but the economic policy, if I may call it that, of strangulation of the economy which is what the present restrictions are, was to continue in full force and in order to protect the Spanish economy people are only going to be allowed to cross once a day so that they could not, I presume, come in more than once a day and start buying any allowances they are allowed or whatever, I do not know what it was, but the net result was, as I see it, a very clever move on the part of the Spanish Government that undermined, let me put it this way, undermined the British argument internationally that the question of Gibraltar and Spain was a question of people and the rights of people, and that it was terrible that people should be prevented from crossing what had in effect become a Berlin Wall, it undermined that argument because the Spanish Government came forward and said "We are now allowing people to go across", and this is what matters in foreign capitals; "Now they have opened the frontier, people can go through", "Spain to open the Gibraltar gates next week", that was the headline. But, of course, only the people on the spot realise the problems involved in this manner of opening, we do not know yet exactly how it is going to open but from what has been said and that is all we can go on, one is worried that the economic siege continues and it is not difficult to explain that the manner of opening could have dire consequences for the Gibraltar economy. And in the same way as the Spanish Leader referred to protecting Malaga Airport, protecting

Ceuta, protecting Melilla, one would have thought listening to him that if you allowed free movement of goods and people across that frontier the Spanish economy itself was put at risk, which to me is quite absurd, but all these various Spanish interests were fully protected and of course the manner of opening as has been put forward can be extremely beneficial to the town immediately across the border because the manner of opening, pedestrians only and you can't do any business etc or whatever, must inevitably help that economy, the economy of La Linea specifically, and we are not against that, I don't think that we are, but that is what is going to happen, but what we have to be sure and guard against that it is not helped to the economic detriment of Gibraltar. So that, Mr Speaker, the proposed opening of the frontier by the Spanish Government on Wednesday is not what was envisaged, of course, at Lisbon. What was envisaged at Lisbon was the removal of all restrictions in order to bring about a climate of friendship between Gibraltar and its neighbours in Spain, it is a very different matter. On the other hand one must not underestimate the act that is being done either, that the Spanish Government is literally opening the frontier for pedestrians which it has kept firmly closed for 13 years. That is a step forward, there is no question about it. But, unfortunately, it is not the sort of step that can be fully welcomed because in the same breath, virtually, the siege continues and that cannot turn us into euphoric joy, this is just not the case. Having said that, why do I propose that so long as there is only a partial opening of the frontier the Gibraltar side of the frontier should continue to open and close as at present? Mr Speaker, the keeping of the border open 24 hours a day is not something that is popular, it is not something that I certainly have ever regarded with jubilation or without any reservation whatever, I do not think anybody has, but the removal of all restrictions and the placing of the Gibraltar frontier with Spain on a normal frontier basis required or maybe it is desirable that if it was going to be a normal frontier, it should be a normal frontier for all purposes and normal frontiers tend to stay open right through the day and night. On that basis I think that sort of opening has to be accepted because if all restrictions were to be removed there was no reason really why the frontier should not stay open 24 hours a day but we were not happy about it, this is the point. I do not think people in Gibraltar are happy about it. I do not think fathers of children are happy about it. I think people who have lived in Gibraltar with that frontier closed have felt a certain sense of security that they might feel is put at risk by the frontier staying open 24 hours a day. And what I say is and what I believe is, that our agreement to a 24 hour opening of the frontier would link really with the Lisbon ideals, if one may call

it that, or the Lisbon principle of removal of all restrictions and the normalisation of the frontier as a frontier. But that is not what is going to happen, what is happening is that the Spanish Government, by unilateral decision, had decided on humanitarian grounds to open the frontier for pedestrians and they have said they will do it 24 hours a day. But in that sort of partial opening of the frontier it is my view that it is wrong for us, if it is within our hands, because the times the frontier opens and closes, of course, is a matter entirely for the British Government, but I would hope that they would take notice of how this House feels on the matter but the question of us coming back with that in my view, and I hope the House will agree, is not justified. Why should the Gibraltar side of the frontier not continue to close and open as it has done since 1969? It has been closing and opening throughout these last 13 years at midnight, or whatever the time was, and 1 o'clock in the morning on a Saturday, this has been going on, and I ask what benefit is there to Gibraltar in changing those times? None at all. On the contrary, it worries people, it brings about a sense of insecurity and not altogether unjustified, Mr Speaker. It makes people uneasy, it sounds or smacks, possibly, of a concession which was really envisaged against a normalisation, against a new spirit, against a new era and all that, and really, at this point of time, there is no need for that, Mr Speaker, and I think that this has been a unilateral act on the part of the Spanish Government and as far as the Gibraltar side of the frontier is concerned, the total opening of the frontier 24 hours a day should be reserved for the day when all restrictions are removed and we have a normal frontier in Gibraltar. That is the time to do it because if we do not do it at that time, Mr Speaker, the terrible problem that we in Gibraltar have at the moment is that as far as a lot of people in Europe are concerned, as far as a lot of countries are concerned, they say: "Spain has done a very good job now, they have opened the frontier on humanitarian grounds, people can get over and see their families, what are all these people now worrying about and complaining about?" And the fact that we correspond and open the frontier for 24 hours will help that sort of argument, will help that sort of theory being propounded all over the world. It is very fortunate of course that the British Government, whilst welcoming this as a step in the right direction, have stated that of course what they are looking for and must look for is the removal of all the restrictions. That is important, not just from the point of view of Gibraltar for Gibraltar local consumption, it is important in all the different capitals that Spanish propaganda, if I may call it that, or Spanish statements on their position, can be replied to in all these different forums by British Government representatives that what is happening is not the removal of the

restrictions but a humanitarian act for which if any economy is going to pay, it is going to be the Gibraltar economy. We are going to pay ourselves for this humanitarian act. The Spanish Government is not going to pay. They are doing it in a way that protects Ceuta, Melilla, Malaga Airport and everything to do with the Spanish economy, so any loss is going to be borne by the Gibraltar economy, and therefore, I think that our response should be a measured response, it should be: "Well, thank you very much, you are going to open the frontier on humanitarian grounds, for this we are grateful, but I think we ought to tell you that the way you are going to open it is not in fact going to engender a very friendly spirit, or might not engender a very friendly spirit, might not create friendly relations, we will discover that the way you are opening is in fact damaging our economic interests and damaging the economy of Gibraltar and that cannot be regarded as a friendly act". So, Mr Speaker, it is in my view an important matter of principle that our response is measured to what is being done and that the complete normalisation of the Gibraltar frontier with regard to times of opening and closing should be kept back until there is normalisation at that frontier. You see, Mr Speaker, you have got a very pretty customs set-up put up by the Spaniards prior to the implementation of the Lisbon Agreement, full facilities there for customs which are deliberately not going to be used. Let us suppose that this had been done in 1980, the Government could have had the excuse: "Well, we have not got the customs facilities, we went and knocked down the old Aduana, we knocked it down, it is no longer there, so we just have not got them". But today they have got them, they are there for everyone to see. Extensive customs facilities. Why are they going to deny the use of those customs facilities, the Aduana, why? Because of the pressure of Ceuta and Melilla? Because of Malaga Airport? And if that is the case, Mr Speaker, how can we respond happily to that. Surely it means "I am sorry, boys, I have let you come into La Linea and spend your money but we are determined that Ceuta and Melilla shall not be a penny worse off, that Malaga Airport continues to have 40 or 50 or 60 odd flights a day as they have in the summer I believe, and that everything stays fine in Spain, the you guys stay under the economic screw". And it is because of that, Mr Speaker, that our response must be measured because at the end of the day what is going to be the use of people going to see their families in Spain if they have got no money to spend there, so I would hope the House would support that. The other side of the motion is a trickier one, in other words, that of taking steps to avert the possible damaging effects on our economy the way the frontier is opening. We cannot be indifferent to that, Mr Speaker, we cannot be indifferent to what is going to happen in the manner that it is being opened. I believe, personally, that if the Lisbon implementation had taken place of a

complete normalisation at the frontier, I believe that Gibraltar would have benefitted economically. I do not share the view of people, I may be wrong, that the results would be bad for the economy of Gibraltar. I just do not believe it and I don't think it is so. But this sort of opening of the frontier I have no doubt is damaging to the economy of Gibraltar. There is no question about it, La Linea is being made happy at our expense, Ceuta and Melilla have been kept happy at our expense, Malaga Airport is going to be kept happy at our expense. Not at the expense of the Spanish Exchequer, not at the expense of the British Government but at the expense of our own economy. So we cannot be indifferent to that. I cannot just say: "Well, fine, they are doing that and let us see what happens". No, I cannot be indifferent, we have to react but it is very difficult, Mr Speaker, the task of the Government is very difficult in this situation. It is a very difficult task and I concede that because I think that the reaction really will have to come from the people of Gibraltar themselves. They will have to have understanding of the damaging effects on the economy on what is going to happen and the Government in any measures it takes will have to carry the support and understanding of the people of Gibraltar. If, Mr Speaker, the Spanish Government are to have no customs facilities, nothing is to pass through that frontier one way, my immediate reaction and I would hope the immediate reaction of Gibraltar should be that nothing passes the other way either. That is the sort of decision that has to be made by the people of Gibraltar in defence of the economy because eventually if the jobs and the businesses are kept going by the economy and in the same way as all of us are concerned by the dockyard closing because of its effects or possible effects on the economy, we must show equal concern at another situation which challenges the very basis of that economy as well, not as strongly possibly but which challenges it. I think, Mr Speaker, when I say in my motion that I press that urgent consideration should be given to the possible damaging effects to the economy, the Government I agree has to watch what is the manner of opening but if the manner of opening develops a certain pattern there must be response from Gibraltar in the interests of the Gibraltar economy and it must be done in a way that people can understand and appreciate. We on this side of the House will certainly support measures to protect Gibraltar interests following what is a partial opening of the frontier. If the Spaniards have no customs facilities is there any reason why we should have customs facilities? If nothing is to pass one way, why should anything pass the other way? It is a difficult one but an important point of principle as far as Gibraltar is concerned. There may be a need to take other steps and perhaps by taking these steps perhaps pressure builds up inside Spain to indicate to the Spanish Government that a

measure that they have projected as a friendly act is implemented the way it has been announced it is going to be implemented, could well be regarded as a distinctly unfriendly act. We are saying this is not in a manner of antipathy, not in a manner of trying to create illfeeling or anything else, but if we are to understand each other then we have to speak clearly. The Spanish Government has spoken clearly, I think we ought to speak equally clearly and that is why, Mr Speaker, because of the dangers that one sees ahead or developing in this sort of situation that I think it is necessary for this House to try and formulate a Gibraltar view on the matter and to be, if possible, united in its view because I think it is very important and very much a matter of important principle. The dangers of this partial opening could only be seen too clearly in the television discussion that one saw last night on television which was a discussion on the partial opening of the frontier. It moved completely away from that to negotiations, to Lisbon and everything else. It was regarded as - well here it is, now we negotiate. Everybody got involved on the issues of negotiations when this partial opening, in fact is not the prelude, certainly as I understand the position, to any negotiations at all. But already people are thinking that there has to be a quid pro quo for this. There has to be no quid pro quo for this, Mr Speaker, this has been a unilateral act without prior consultation on the part of the Spanish Government and I am afraid that a partial opening of the frontier would be regarded as a quid pro quo and I personally am against that because I believe that although normalisation at the frontier is desirable both in the interests of Gibraltar and the interests of Britain and probably in the interest of Spain, it has to be normalisation and we have never agreed that a slight easing of the restrictions means that because you cannot be normal, I can't, I don't know about other people, you cannot go to Spain and have a drink, for example, not that we will be doing that, Mr Speaker, but you can't go to Spain and have a drink in La Linea and feel normal when you know perfectly well that the measures that have been taken continue to aim at strangulating the economy of Gibraltar. Whether it is intentional or not it is neither here nor there, one can only go by what is being done and what are the effects on Gibraltar and therefore, Mr Speaker, I urge the House to take a view on the matter and to agree to what is in effect a limited motion, a motion which is intended to be a response to a particular situation. I am not talking here of Lisbon, I am not talking of NATO or EEC or anything else, I am talking of a situation that is arising and what should be the response to that situation. Everybody has spoken up about their interests, Ceuta, Melilla, Malaga, the Opposition Parties in Spain, even the person who negotiated the Lisbon Agreement has also spoken up about it.

I think there is a need for us to state clearly what our position is, how we feel this affecting us and how our response must be both cautious and measured. Mr Speaker, I commend the motion to the House.

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

HON J BOSSANO:

Let me say that I find that the Honourable and Learned Leader of the Opposition seems to be so intent on this cautiousness as the dominant element in his approach, that I think he has been bending over backwards in expressing the reaction to the pedestrian opening and that in doing so I do not think he is doing what he wants us to do which is to speak plainly as the Spanish Government is speaking plainly. Mr Speaker, I will be voting for the motion and I will explain why I am voting for the motion and I will explain what my analysis of the situation is which, in fact, I will say that by contrast to the hesitancy of the Honourable and Learned Member is perfectly clear-cut. I have no doubt at all in my mind that we have to give no quid pro quo for a partial opening or for any other kind of opening or for the implementation of the Lisbon Agreement or for the full removal of the restrictions. This is the sort of plain speaking that I will say to the Spanish Government. They are perfectly entitled to behave as they wish and we are perfectly entitled to behave as we wish in our own country, which is what Gibraltar is. Therefore one should not be surprised that the Spanish Government has said that they will protect their national interests, what else would we expect them to say, that they harm their national interest? And we should not be surprised that what they have done is a very clever thing. They have taken the move which removes the one argument that the British Government had in attacking the policy of previous Governments in Spain. The one argument was that Spain was acting in a manner which was not only harmful to the interests of the Gibraltarians, which to some extent they are perfectly entitled to be because we do not want to be with them, were even harmful to their own citizens and there is no doubt about it that the people who were harmed by the closure of the frontier were the Spaniards and there can be no doubt that the standard of living of the Gibraltarian and the sense of identity of the Gibraltarian has been enhanced and improved by being cut off from Spain and therefore the tendency and the trend that we have seen developing with the closed frontier will be reversed by an open frontier, inevitably it will be reversed, and we shall have to work very hard to prevent that reversal and we should be conscious all the time that we are asking for all the lifting of the restrictions that the lifting of the restrictions will bring.

us a lot of problems. I have no doubt, Mr Speaker, that the choice is ours when we open our frontier and the choice is theirs when they open theirs, and if they are entitled, which they are, to open theirs for pedestrians only or to open theirs for a few hours only, we are entitled to do the same with ours so there are two ways of doing it either they open it at one time and we open it at another and we could even chose to open it when they close it and close it when they open it, that should keep it permanently closed, or, alternately, the Spanish Government can try and co-ordinate their times of opening with what we are doing on our side. I support entirely that the decision should be ours. I think the Honourable and Learned Leader of the Opposition suggested it might not be within our hands, in fact, to take that decision and that all that we could hope was for the British Government to take notice and it is entirely up to them. Well, I do not think it is entirely up to them, quite frankly. It is up to us the people who live here. It is all very well for London to make a decision but they are not going to be affected by it and in fact, I don't think it can be left as loosely as that, I think if we tender advice on what needs to be done and our advice is ignored, then there should be a follow-up to that. If there is a cost involved in ignoring that advice then that cost should be met by those who ignore the advice and not by those who give it. But I don't think that as a reaction to the pedestrian opening the fact that we keep our frontier closed in the evenings is going to make any difference to the economic impact. It may make some people feel more secure because I think the problem of security is only going to be marginally affected myself, I think the problem of security will arise from fairly uncontrolled movements across the frontier and that in fact in terms of security a pedestrian opening is more secure than the total removal of restrictions. In terms of priorities if we want everything taken off then we should be even more worried about security. I think it has an important symbolic value and I think it is about time that we did not seem in Gibraltar to be totally conditioned by whatever Spain decides to do and we respond to it. I think it is time that we should be seen to be taking, even if it is only a what I would consider to be a minute gesture on our part. Of course, this will cause a certain amount of discomfort, presumably, to some people, that is to the people who would want to go across in either direction and go back very late, well, then they will have to make up their minds either to go early or to stay overnight. At least the Spanish Government could not accuse us in those circumstances of not permitting Spaniards to stay overnight because in fact we would be forcing them to stay overnight by not letting them go back before the evening. Yes, if they miss the frontier they would have to stay overnight and go back the next morning, so that they can't complain that they are not

allowed to stay overnight. They can only complain if we actually parade them down to the frontier and push them out before we close but if we let them stay they are being allowed to stay overnight. It might fill up all the hotels, yes, that would be a beneficial side effect. I think that in terms of whether the opening is being aimed at harming our economy and I think the Honourable Member first said it was aimed and then said even if it was not intended to be aimed at that, well, I do not see how you can aim without intending to aim. I don't think it is a question that they are intending to harm the economy, I think it is that they are not intending to help the economy and that we have to understand is consistent with their declared policy. What the Spanish Government has said is: "Alright, we accept that by keeping that land frontier closed and by keeping families separated what we are doing, effectively, is negating our policy, making our policy more difficult because, in fact, we are getting the Gibraltarians' back up, we are getting them against us by keeping them out of Spain and not only are we getting them against us, in fact, we are making it more difficult for them to absorb our culture so we ought to move in the opposite direction, we ought to let them come into Spain, and mix with us, and that at least removes a bone of contention. But, of course, we still want to take them over, that does not change". So the next thing is, clearly, we have got a serious economic problem in the surrounding area, well, it makes eminent sense from that point of view to have a pedestrian crossing because if you look at the logic of the situation and if you are after several million pounds of purchasing power from, by Spanish standards, very wealthy consumers in Gibraltar, then if you have a pedestrian opening there is more of a likelihood that a bigger proportion of that money will be spent in the immediately surrounding area whereas if people go with flashy new cars they are more likely to speed through La Linea and spend their money somewhere else so a more effective move to help in particular the economy of the Campo Area is to do precisely what they are doing. And one has to understand the logic behind it. If we can then say: "Ah, well, yes, but that is a unfriendly gesture". It depends on where you are. If you are in La Linea it is a very friendly gesture, and I do not think that it is strictly accurate to say that a pedestrian opening protects the La Linea economy at the expense of the Gibraltar economy, I think it protects the La Linea economy at the expense of parts of Spain further afield but I think that if there was a totally open frontier the loss to the Gibraltar economy in terms of purchasing power would probably be greater. I think there would be people who would not go to Spain until everything has been absolutely and completely removed as a matter of principle, and quite a lot of them, because in fact if we were to see 300 or 400 people crossing the frontier one would get the impression that that is $\frac{1}{2}$ of

the population and one has always been pressing before, when the restrictions were initially introduced in stages, that there were thousands of people going. That was probably true, there were probably a couple of thousand going and 25,000 not going. I think one has to understand that if the situation had been a complete lifting, the impact on the economy, in my judgement, would still have been adverse and I think that the people who have been looking at the situation, and admittedly even the most expert economist in a situation like this can only make a guesstimate because we are talking about hypothetical behaviour, we are talking what people will do with their money if they are free to choose in a way they are not free to choose today, whether they spend it here, they can choose to spend it over there and vice versa. If we look at it purely from an arithmetical structural model of the economic interrelations lines, one thing that would clearly be predictable in the absence of anything else and forgetting for the moment that human beings do not in fact function as if they were economic robots, then the theoretical consequences would be that the trade flows between Gibraltar and Spain would bring about an automatic re-orientation of Gibraltar's economy where some areas of Gibraltar would be uncompetitive faced with new competition and would decline and disappear and other areas would find that they are very competitive and that they were gaining new markets and they would expand and in an ideal model that process would be one of internal judgements so that at the end of the day there was, if you like, specialisation in our economy supply in certain things and importing other things and one thing balancing the other. But we know that no national economy has ever achieved that. Every economy has got essentially that problem and in practice it does not happen like that. The fundamental difference in our case is of course that if those trade flows are anything other than balanced, the imbalances could be huge because in fact we have nowhere else to turn to, that is, the person engaged in a particular economic activity in Gibraltar is in a position where if he loses his present custom almost by definition he will not be replaced by anybody else because the people who are already the customer of the outlet that takes his customer away will obviously retain what they had and keep what they have got and therefore it is not the question that people are going to suddenly start buying their fridges in La Linea if they are Gibraltarians and the La Linea people are going to come here and buy their fridges in Gibraltar. If there is a competitive disadvantage in a particular line that will mean the end of that line and there is not any other logical prediction that can be made. What is in doubt and where the degree of optimism or pessimism revolves around is what is going to substitute that line and are there enough goods in sufficient quantities and leaving a sufficient income? And

of course when we are talking about that, again, one has to think at different levels. You can substitute one particular commodity for another and that might mean that the volume of what is now being sold with a different set of customers is sufficient to keep the particular business going and perhaps to keep the particular employees going but it might not be sufficient to offset the loss of revenue to the Government because what is lost may be paying one rate of taxation and what is gained may be paying a different rate of taxation. When we are looking at the consequences, what can be predicted for the consequences to one particular sector, one level of the economy, is not necessarily what is the consequence for the other one, so you might get something that is bad for Government finances but good for the particular business and indifferent for the economy as a whole. One that might be good for employment and bad for profit and something else that is good for profit and bad for employment. It is the complexity of this different impact at different levels that makes prediction impossible. The fact that it makes prediction impossible does not mean that one cannot make any sort of judgement and in making a judgement my judgement is that the net effect is detrimental. That, at the end of the day, is what we ought to be doing, I think. I would ask the Government to adopt a fair approach which in a way goes beyond what this motion is asking, Mr Speaker. I know that the motion has been put as a reaction to a particular event but I think we have to start thinking not about the possible damaging effects to the economy and the need to take steps to protect Gibraltar's interests because of the absence of customs facilities. It does not follow that if there were customs facilities the problem would not still be there. I think what we have to say is, let us approach the question of a different type of relationship, commercially I am talking about not politically, let us be clear about that, commercially with Spain and take the worst possible scenario and provide for that. And then if in fact the situation materialises better than we feared, well, that is icing on the cake. But if we aim for handling a favourable impact and it is not favourable we are really caught with our pants down, Mr Speaker, and we are really in trouble then. I think the sort of pre-opening preparations that we have had in all these abortive openings have all given the impression of being on the assumption that the outcome was favourable, with everybody stocking up for everything they were going to sell and so on. With nobody ever saying the problem is not that you have been left with a lot of unsold stock because it has not opened, the problem is that you might well have been left with a lot of unsold stock even if it had opened. I would say that on the question of protecting the economy which is what the Honourable Member called the second part of the motion, I am going to support the motion as it stands and I am not going to amend it in any

way, Mr Speaker, because, as I say, my principle reaction to it is that it is being brought to enable the House to respond to a situation and I think the response of the House should be that in fact that just like they are entitled to do what they like at their frontier, we intend to do what we like at ours. In terms of protecting our interests, quite frankly I think that we can expect nothing else of the PSOE Government other than to make sure that anything that they do at the frontier with Gibraltar if it is not designed specifically to hurt Gibraltar, it will certainly be designed to ensure that any benefit Gibraltar gets will not be at the expense of Spanish interests. Of that we can be absolutely crystal clear, no doubt about that, and that there is no way that we can condemn a Government for doing that because that is precisely the function of Government, to look after national interests. The EEC does not work precisely because of that, Mr Speaker, that is why the EEC does not work, because every Government goes into the EEC with a list of all the things it wants and all the lists are mutually incompatible as nobody is interested in what they can give other people, they are only interested in what they want from other people.

HON P J ISOLA:

The Honourable Member will concede that occasionally the EEC countries do give each other things. It has not collapsed by any means.

HON J BOSSANO:

When they do, they do with a lot of horse trading behind closed doors and with a lot of quid pro quo. In that case, Mr Speaker, one can imagine that by analogy one would then have to start thinking of quid pro quo with Spain. Would that be progress, if we give them things and they give us things? As far as I am concerned, the only progress that there can be, and I am saying in fact that our stand is to say that they put the restrictions and they took them off precisely because we are not prepared to have the Spaniards coming to us with a list of things and let us be clear that this has been the Spanish Socialist position when they were in opposition and when they moved the motion in the Cortes in March, 1980, preceeding the Lisbon Agreement. They said in the Cortes the position must be that dependent on progress at the negotiations, so the restrictions are removed which is exactly the same situation; I give you this and you give me that and horse trading. The Lisbon Agreement did not say that. And, in fact, we have the absurd situation that Oreja, who was responsible for signing the Lisbon Agreement was condemned for going beyond the Socialist position at the time, is now condemning the Socialists for the partial opening. It just shows that what people say depends on where they

happen to be at a particular point in time. But the Socialists could legitimately claim today that the position that they have put forward on a number of occasions since 1980 in the context of negotiations, was to divorce the human communications problem and the separation of families from the question of negotiating where if they are going to do anything beneficial to Gibraltar they want something in exchange. I am not sure that even if they removed all the restrictions that would qualify to be called as doing something beneficial to Gibraltar. There are a number of counts on which one can say we should not give anything in exchange. (a) it is going to bring problems and not benefits, at the end of the day and (b) as a matter of principle there is no reason why one should negotiate other than on specific things. I think that if you are going to have an open frontier with Spain then the only sort of discussion that needs to take place is as I said before, Mr Speaker, the coordination of what is going to actually physically take place at the time that it opens. I still don't know that we have a clear-cut idea of what is meant by the absence of customs facilities. Presumably one could put all sorts of interpretations on it but if there is no customs there, then if somebody goes loaded with videos there must be somebody there to stop them and take them off. Presumably, what no customs means is that they cannot declare what they are bringing and they cannot pay duty but they must be physically stopped and the stuff has to be taken off them so they must go through some sort of search procedure and be told that at this frontier you cannot bring anything into Spain. Is it the Spanish intention to strip people on the way back as well as on the way in? It would certainly be a very unusual thing because I don't think any country objects to visiting tourists taking away from the country everything that they want to take away because everything that they have bought inside the country has already paid the necessary duty and everything else so it would certainly be a unique situation in that respect if people in Gibraltar were prevented from shopping in Spain. Are we saying that if they were not prevented we should then do to our own citizens what the Spaniards intend to do to theirs and to ours on the way in? I do not think we can. I do not think we can even if we want to and I do not really think we should, I do not think one can say that it is wrong for the Spaniards to do it and then go and do it ourselves. I do not think we can, quite frankly, I do not see how anybody can be prevented, if he is not stopped on their side of the frontier, from buying something there and coming here and declaring it and paying duty. What we would be saying then, effectively, is that the point of importation cannot be the land frontier, that is what we would then be saying, but it can still come in every other way as it is coming in today. That, Mr Speaker, I do not think we can do and I think we have to be very clear from the Government whether they think we can do it. (a) somebody

coming along with something and declaring it and paying it, on what grounds can we say that they cannot pay duty and bring the stuff into Gibraltar? I see, then if that is what the motion means, then I think that we have to debate that particular point and take a clear-cut position on it. I am prepared to be persuaded that it can and should be done and I am prepared to take the responsibility for it like everything else. Once I take a stand I am prepared to stand up and be counted. But I do not think we can say: "Well, maybe we should but it may be difficult and perhaps we ought to give it consideration". Either we say we are going to do it and if people don't like it we face them with it or we are going to have pressure from people who are worried that they would lose custom, we explain to them why we cannot do it, but I think it is important that leadership should be given on this occasion and that that can only be given by in fact grasping the nettle and being clear-cut on it and I cannot see how it can be done but the Honourable Member will have the right of reply in any case before the vote is taken.

HON P J ISOLA:

That is one of the things that we think should be given consideration to. That is, of course, basically whether it can be done or cannot be done or whether there are other things that can be done instead or cannot be done, that is why we ask for urgent consideration to be given to that. But it seems to me that if one country is able to do it to us, in principle, I can see no reason why it should not be reciprocal. That is what the EEC is based on, reciprocity. It can also be on a negative side. I am not saying that that is what should be done. But, certainly, one of the things that should be considered, yes.

HON J BOSSANO:

Mr Speaker, I happen to have just one seat in this House and I have spoken second and it means that it is my only chance of speaking unless I interrupt everybody else. I thought people wanted me to speak that is why I spoke at the time.

MR SPEAKER:

Let it be understood that what I am objecting to is not that you should give way otherwise I would have said so but that there should be asides because it is not conducive to good debate.

HON J BOSSANO:

The overall reaction presented by the mover is fair enough. I am trying to move from the overall reaction to the specific

and I think on specifics if that is something we have to understand that this is something that it may well prove unpalatable to a lot of people but that in fact if we think that this is what Gibraltar needs then I believe in being prepared to come forward and defend unpopular decisions if that is what in our considered judgement is required because after all at the end of the day that is what we are getting paid to be in this House of Assembly for. If people do not like it they can chuck us out and replace us but at the end of the day we have a responsibility to them and they put us here to do a job and that job is that we have to say: "This is what we think needs to be done and that is what we are doing", and I think on this occasion more than on any other occasion we really are required to give some sort of a lead because at the moment people are not sure what the situation is. In a way I agree with the Honourable Member that that lack of clarity about the precise situation in which we are today was reflected in last night's programme. Our own representative there kept on repeating our stand on the Lisbon Agreement precisely because the question of the Lisbon Agreement kept on coming up and there is only one thing we can do and that is bore everyone to tears by saying the same thing on the Lisbon Agreement till kingdom come or until the thing disappears. I think that perhaps the Government itself is in a better position, apart from the question of principle about whether it is right or wrong to do this, and I think on that I would like to expand a little bit because I think the issue has to be considered in that light as well. We are talking about something that will have an economic impact. Let us analyse what that economic impact is. It means that if people go across into Spain and they buy stuff they would have otherwise brought in Gibraltar, if that pays duty then clearly, there must be effective controls to ensure that that duty is paid otherwise not only will the Government be losing revenue but there would be unfair competition on local businesses who would be required to pay duty whilst other people were bringing stuff in duty free. On that I think the position is in no doubt at all. The other situation is, what happens if that is taking place in one direction only? Well, in one direction only the people who benefit are the consumers, the people who stand as far as indirect revenue is concerned unchanged are the Government and the people who will be disastrously hit are the businesses and the shop assistants. That is the three tiers to which I was talking before in general terms and where we can talk about now specifically. In that situation if we take a step to protect one sector then we must explain to the sector that stands to benefit why in the long term it is in his interest not to benefit because in fact he might be getting a particular commodity cheaper and then having to be taxed more to pay for the unemployment benefit of the people who have been put out of work as a result of it. I take it that that is where the

Honourable Mover was hinting at the need to be able to carry people with us. I certainly think we need to be able to do that in whatever we do on this occasion. The other point is if, in fact, it is wrong for the Spanish Government to deprive its citizens of doing it, is it right for us to do it to our citizens? If it has to be done, it has to be done because it is a necessary protective measure but I think we have to be conscious of the fact that we are doing something which we fundamentally must be in disagreement with if we think it is wrong for them to do it to their citizens apart from the fact that it is depriving us of customers. I think the other thing is technically, other than perhaps to say that it is not a point of importation and I am not sure what the law is on whether anything can be imported in Gibraltar in any particular form or from any particular entry point, I would have thought that provided you declare what you bring in and you pay duty, you cannot be prevented from doing it but that technical position whether in fact the Government can say goods can only be imported in Gibraltar through the airport and through Waterport and nowhere else, whether that is something that we are entitled to do or whether in fact somebody can challenge that and say: "I have bought a particular commodity, I am free to buy it and I am free to declare it and I am free to pay duty and I cannot be prevented". I think that is perhaps the first consideration, really, because we need to find out whether we can before we should decide whether we should. I think, Mr Speaker, that again the only other final point that I would like to make is that we tend or have tended in the past on many issues, on the impact of the Common Market and on a lot of other issues, to spend a lot of time debating what we are going to do without actually doing it. Well, we have not got a lot of time left on this occasion, we are talking about days now, so I should think that whatever the Government is going to do they really have to produce record speed on this occasion if they are going to start having any effect because once a situation starts getting established in a particular way there is no way of changing direction, in my judgement.

HON CHIEF MINISTER:

Mr Speaker, the first thing I would like to say on this motion is that it is regrettable that the long established bi-partisan approach to the Spanish matter between the Main Opposition party and the Government has been breached by this motion which has been brought by the Leader of the Opposition without even having the courtesy of telling me that he was moving it, let alone discussing the terms whether they were acceptable to both sides. I do not think that is good because that means that without prior consultation each party has to react according to its own view and according to the approach that it has to the particular

matter and therefore it is no good Mr Isola saying we have to have a Gibraltar view on the matter and pretend that we are going to agree to anything that he moves in order to have a Gibraltar view. We do not agree that there is a Gibraltar view on the matter so far even though the aims may be the same, the attitude to the problem is even within the discussion between the two speakers, completely different. Yes, I will give way now.

HON P J ISOLA:

I ought to tell the Honourable and Learned Chief Minister that the reason why the motion was put in for discussion on the 8th of December was because I heard the Honourable and Learned Chief Minister say on television the night before to the people of Gibraltar that the Gibraltar side would stay open for 24 hours a day and I certainly was not consulted on that and therefore I thought it was necessary to put the motion down for discussion otherwise I would have consulted with him.

HON CHIEF MINISTER:

I did not agree to that, I have got the text of what I said on television from the script and let me say that this was asked within minutes of the announcement, literally within minutes of the announcement and I was preparing for dinner when the crew came along and asked questions. I am not averse to dealing with matters, however urgent they are, if it is in the public interest, but in fairness and as a spontaneous reaction to that, I have got the text here: - "What about the 24-hour opening, that is something new for Gibraltar. Do you think that Gibraltar fears this a little?" I said: "Well, we have provided for that to overcome their age long complaint about the fact that we did not allow Spaniards to overnight in Gibraltar". - Of course I was saying we have provided when we discussed the question of the Lisbon Agreement, and I will come to that. - "I think that it will wear off along, I mean there will be 24 hours a day but really who is to cross the frontier at 3 or 4 in the morning unless it is something very urgent. Presumably, that will mean that people can move about freely and much later but there are quite a number of unknowns and we must see how this works. But as I say, as we have said all the time that the closure of the frontier was inhuman and unjustified. Now they are opening it on their own without reference to the Lisbon Agreement and therefore I think that that is a step in the right direction". There is no specific acceptance in terms, maybe implied, but there is no specific acceptance as a spontaneous reaction to an announcement about their opening it 24 hours at all. So I think that really doesn't wear. The Chronicle was given

the benefit of the tape that I had taken of the interview and that can be verified. I have not been able to give anything to the Chronicle, this is the tape of the interview and that is what I said. How other people interpret ones remark, the Chronicle could equally have heard it itself. As it happened I was asked for a comment, I had no time to provide a comment at that time and I said: "Here is the tape of what has been said", and whatever interpretation appeared in the Chronicle is the responsibility of whoever tried to analyse it as any journalist has to do. This is the text of what I said and if I had to say it again at that time in this situation I do not think that I could have said anything else. That is by way of explanation and, therefore, the Honourable Leader of the Opposition cannot expect agreement to any motion that he considers it pertinent or convenient to put forward, for a number of reasons. First of all, there has been no prior consultation and therefore we react the way we feel we have to react and, of course, there is the virtue that there has been and I hope that there will be to a continuing bi-partisan approach is the fact that there is consultation prior to discussion and consensus view is brought forward that is acceptable to both sides. Unfortunately, whether this happened through misinterpretation or what have you, there was no attempt at finding out. I don't think, with the greatest respect to the media, that we should accept as bible truth everything that the papers publish. They occasionally make mistakes as well so I do not think that that is a good reason for not having asked: "Well, is this what you said, is this your view, has this been your view?" Anyhow, but be that as it may, it does have the effect that in a conflicting and confusing position people are not going to be clearer after this debate than they were before. They may be clearer as to what some people think but they will not be clearer, and they will not be clearer because they are not clear now and I think there is no Gibraltar view on the attitude to the opening of the frontier. There are conflicting views of many people about it. We may be all ad idem on principles, we may all be ad idem on wanting to remain British, we may be all ad idem to protect our economy, but on the question of whether the frontier should be closed there are 120 views and everybody you talk to has a different view and as I said before, reminding myself of that story between Ben Gurion and President Johnson when President Johnson said: "My problems are very big, I have to look after 250 million Americans and yours is very little you only have to look after 3 million". and he said: "No, my problems are bigger" and he said "Why?" and he said "because you look after 250 million Americans, but I have to look after 3 million presidents". Everybody in Gibraltar naturally is a foreign minister in his own right because what is happening in Spain affects him directly and therefore he makes a judgement and he takes a view and he will follow the view that he wants to hear from people and

that is why the Gibraltar problem is so difficult because the same as the Honourable Mr Bossano has expanded with great clarity, if I may say so, but with the usual inability to be precise that all economists have "on the one hand this, on the other hand that". Even my Honourable Friend on my left, he has left the main problem in the air because in the end in the final analysis it will depend on what people do. In that respect I share a considerable amount of the concern of all, of the analysis of the problem, but the analysis of the problem is that we are dealing with a highly emotional situation apart from being a highly economic and important national problem. Therefore, we have to be very careful how we tread on this because we are all uncertain about what is going to happen at the frontier on the 15th. Let me say that that is not confined to us in Gibraltar. It affects the whole of the Campo Area and I am not speaking on any confidential information I receive as Chief Minister, I am speaking on information I receive from sources in Spain who try to get information from Spain which is where the information must come from, and that is that whatever the Mayor of La Linea says, whatever the people say, at this moment they do not know what is going to happen at that frontier on Wednesday. They just do not know and if you hear the Mayor of La Linea speaking one thing that he takes for granted that nobody has mentioned is that there is not going to be any limit in the coming into Gibraltar of tourists and if that is so then what are the economic consequences of thousands of tourists coming for the day and even though they may not be able to take any luggage or any goods, their consumption here, their use, the taxis, the buses, everybody.

HON A J HAYNES:

Mr Speaker, on a point of clarification. Does the Chief Minister have any information as to what is meant by a single pass in a day. Does that mean that a tourist would be entitled to come into Gibraltar but not return on that same day?

HON CHIEF MINISTER:

Very much the opposite. I think that is one of the clearest things that Felipe Gonzalez said. What he said is; what you cannot do is come to Gibraltar, try and get 4 or 5 packets of cigarettes into your pocket, go back to Spain and come again because you cannot take a bag you have got to fill up your body with it. That is what it means. And therefore, as far as people in Gibraltar are concerned I would imagine that that more than covers the humanitarian aspects about which we have been complaining for the last 12 years. We must remember at the time of the restrictions how many people suddenly developed a love for their inlaws

to justify their crossings when other people were not doing it. We are dealing with a very difficult and unknown situation and there are at this moment conflicting forces within Spain to try and make the best, each one according to his interests, of what is going to come out of the wash of what has been said about this matter. You could take the most favourable position. I would take the worst after, I am not going to try and make the thing look very nice but you could take the best possible position and say that the fact that there is not going to be a customs post means that there is not going to be provision at this stage for the export and import of goods in commercial quantities, the sort of thing we were doing yesterday in anticipation of a possible open frontier by amendment of the Trade Licensing Ordinance. That does not mean that when there is no provision for the despatch of goods that there is necessarily a restriction for people carrying their wares or whatever quantity is allowed in the crossing of frontiers. That is not certain, and one thing I know we must be very careful of, and I say so without any apologies, is that nothing that we do here now, between now and Wednesday, can spoil the possibility that anything that is going to be done by the Spaniards which was meant likely to benefit us is done likely to make it worse for us. That is very important and it is very important in the context of the attitude of the British Government who have said all the time, and have reiterated, and I am sure that it has been done this morning in the meeting between Mr Pym and Mr Moran, and let me say that I have not told Mr Pym what he ought to tell Mr Moran, but I have suggested what he ought to tell him. Anyhow, precisely to try and see the best possible interpretation that can be given to the announcement that has been made and therefore we are dealing with unknown quantities, we are dealing with an unknown situation and we must be careful that we do not do anything at this stage, not that the Spaniards will change their minds only, no, that would be bad in itself, but what we must not do is anything that will debar us from maintaining the pressure on the British Government to do what we want them to do on the question of the frontier. I will deal with the question of the economy at large with which I have very little dispute in fact I am prepared to go further than other Members because I am in a position to be able to say what I propose should be done. But on the question of the opening of the frontier 24 hours, I think, and I say so without any hesitation, that any effect, certainly I can tell you now the Government is not prepared to agree to that part of the motion at all. The Government is not prepared because it is an inhibition to the attempts that are being made at the highest level to see that the proposals that have been announced in Madrid are given the most favourable interpretation for what the people of Gibraltar really want and that is free passage, what we have

been saying for the last 13½ years. After all, we have been saying that the closing of the frontier is inhuman, that it should open and so on, and of course it is true that it is limited but I think, and I have said so quite clearly, that it is a step in the right direction towards those who want communications restored. It may not be a step in the right direction for those who do not want the frontier open but for those who want the frontier open, and for those who have been complaining about it, and nobody who has been complaining can now say that it should not open because then he is a hypocrite and has been misleading public opinion over the last 13½ years. That is why I have great reservations about the aspect of the motion that tries to limit what has been given and which perhaps they think that they were doing us a favour. I do not know whether it is or not, certainly I agree with the Honourable Member that it is going to make no difference substantially on one or the other but as I attach great importance to it and I am enforced by the views of the Honourable Member that in respect to the economy it makes no importance, as far as I am concerned that strengthens my attitude on this matter because it is a psychological one and because the last thing the British Government would make it or rather the worst thing that we could have is a British Government thinking that we, as looked from London not as looked from Gibraltar, we are trying to limit the extent to which the Spaniards have opened up on their own without prior conditions when up to now every attitude has been a *quid pro quo*. In that respect I have said to the Spanish media and to every media that has approached me that what the Socialists have done, the Honourable Member has described it one way, I am describing it in another way, what the Socialists have done is what they have always said that they would do and that is that they were divorcing the question of the restrictions from the question of their claim to Gibraltar. They have honoured that, they said that before they went into the elections, they said that before they knew they were going to be elected, they put that in their manifesto and they have carried it out at the first Council of Ministers and that, to me, apart from anything else, is an honest intention, an honest way of describing your attitude to politics and I hope that that augurs well for the rest of the Spanish nation in respect of the new Government which being Socialist or Social Democrat augurs well like all radical movements augur well in the world - Conservatives take note. There is no *quid pro quo* in this offer that has been made. You could say, and there is no doubt, that with the greatest respect, at the highest spheres and a newly elected Prime Minister cannot be in an exposé in a Press Conference, cannot be completely acquainted with all the details affecting the Gibraltar issue. Felipe Gonzalez has had a mammoth election campaign, a mammoth area of big responsibility, planning the whole thing, planning the programme and you cannot expect, in fact, if in

London sometimes you find MP's who ask how long is it since the frontier was open and the frontier is still closed, how can you expect a newly elected Prime Minister of Spain to know all the details. A proof of that was that he said that they wanted to protect Malaga against the heavily subsidised services to Gibraltar, well, I said I wish it were true because we have been complaining about how high the fares are. The other gap could be, if the best interpretation is put to it, is that he thinks that when it was agreed in the preliminaries that if the Lisbon Agreement was implemented and all the restrictions would be lifted that the frontier would be open for 24 hours, he may well think that he is doing us a favour. Let there be no doubt about it, I honestly believe that, I do not think that there is that ulterior motive having regard to the effects that it would have on the economy and I do not blame him for having said that he proposes to protect the economy. He is under great pressure from these people. I heard the Mayor of Ceuta the other day almost crying as if the World had come to an end. He did not cry when we suffered and all the business went over to them but he is crying now, of course, and he has to temper one thing with the other. But I think that whatever we say about that the courage of having at the very first meeting of the first Council of Ministers of the new Government taken a decision on a matter as sensitive nationally as the question of the frontier, I think it deserves credit or a lot of courage. As I say, I do not see in the announcement any attempt at a quid pro quo. The thing has been done ex parte, so ex parte has it been done that the British Government did not know anything more than I did until we listened to what they said after the Press Conference and in fact they had been seeking clarification and the media in the Campo Area has been seeking clarification from very high up and my information is that they will make it public on Monday because perhaps they do not know themselves the modalities because the decree that has to be incorporated to put that into effect is being drafted now and because other things are being looked at to see how the thing is going to work. One thing I believe honestly, having regard to the performance of the Socialist Government, is that they are not going to make fools of themselves by whatever they do at the frontier, I honestly believe that, and whether we like it or not, they will present something plausible. And insofar as saying that they have done that in order that the rest of the world can say: "Well, we have done it", what have the rest of the world done for us when the restrictions were on that we have to worry about doing something to have effect on us. Have the rest of the world cared about us, they have not cared about us. The only people that have cared about us are the British Parliament and in the United Nations the few Commonwealth countries, particularly Australia and mainly the Commonwealth countries who were

prepared to go in with us at the time when Spain was exercising all her pressure to try and get votes in the United Nations. So why should we worry that this is being done by Felipe Gonzalez to put himself in the good books of people who have never bothered about us and who perhaps think today that the frontier is open. I get calls from people from the time of the Lisbon Agreement saying: "I will be going across with my car", I said: "How?" He said: "Through the frontier" I said: "You will have to go through Tangier", He said: "Why?" I said: "The frontier is closed", He said: "But wasn't there an announcement made in April, 1980", I said: "Yes, but one thing is an announcement and the other is opening the frontier". So that is the situation and all I am saying is this - I will come back to the economic problem - all I am saying in this is that the limitations, the attempt at chagrin or at annoyance at what is being done by saying: "No, we are going to keep the frontier as we are now", is going to be counter productive and the practical results are going to be very minimal, if at all. In fact, in some cases I have had it represented to me by parents saying: "Well, first of all, we know and there is no reason why because there is going to be a pedestrian opening only that people are not going to drive in Spain". Of course they are going to drive and they are going to drive hired cars or take their cars through Tangier and have them there and don't we know how many people have been killed in trying to make the gate. Tony Cavilla was one of them and we all lamented his death. He was an elected member of the City Council and a great Trade Unionist. He died because he was coming in a hurry. The same as the other tragedy of the two young men coming in a hurry with a speedboat from Marbella in order to make it for the Casino opening at 9 o'clock. That is one danger, the other one is that if you do not make it you stay there and that may be much more worrying for a mother that her son should not come except that he would come a little later. There are many aspects, many human aspects of this, it is too involved to be able to make a judgement on this matter and the people are confused, divided, anxious, desirous, all sorts of things, because whatever may be said about it the question of the relations with Spain and the question of the opening of the frontier, whatever we may be discussing in Gibraltar in the interests of Gibraltar, whether it is Development Aid, the Dockyard or whatever it is, important as those things are in the final analysis when the people start thinking at the end of the day and if that is on the carpet, that takes precedence. It may be a masochistic way of looking at the matter but it is so, it is a fact of life. Now let me deal with the economy. The motion urges us to give urgent consideration to the possible damaging effects to the Gibraltar economy. I had the same qualms about the first part of the motion that the Honourable Mr Bossano has

mentioned that so long as there is only a partial opening we should take care. I do not agree with that, we will have to take care in any case but I am not dealing with that because I concede that the intention of the motion is ad hoc to the situation and not generally. I hope that the mover concedes that steps have got to be taken to protect the economy anyhow but that this is done specifically for the purpose of this motion so I do not propose to interfere with that. I give that interpretation to it which I think is the most favourable interpretation that can be given but I take the point, I did worry about that part of the motion at the beginning because I do not want the motion to limit it in any way to the fact that the frontier is going to be open on a temporary basis because in fact the whole study that was carried out after Lisbon and so on has been on the basis of what we can do to protect the economy in a complete open frontier. And though again there are many people who will benefit, many people will be prejudiced, the overall judgement that we arrived at is that initially it was going to be adverse to the economy of Gibraltar anyhow with a full opening of the frontier. So that is a matter we have to face, it is really a matter that we must all take into account. The question of what measures are to be taken to protect the economy, I am afraid it is very difficult at this moment to judge because we do not know what the result of the opening is going to be but I would like to give an assurance to Members and to Gibraltar as a whole that the Government within the powers that it has and if necessary seeking any powers that it may not have, will take whatever steps, conventional or otherwise, are necessary to see that the opening is not done or cannot be used in a way that will completely unbalance the economic situation contrary to the interests of Gibraltar. It is very difficult to say that we are going to make sure that there is no effect on the economy, it is impossible because of all the difficulties that the Honourable Mr Bossano has mentioned because the attitude of people is unpredictable but insofar as it is possible we shall take whatever measures, however strict they may be, if the intention is as is presumed by some people that this is done as a measure of compromise but particularly to do that. I look more at the positive one and that is why in the amendment that I have which I have to move the deletion of those words, I have words to add to say that we will take whatever steps are required, in the same way as the Spaniards are taking steps to protect the economy of Ceuta, Malaga and the rest of Spain, it has to be taken at a national basis and that is what we will do. And, of course, the measures that have to be taken will be taken and have no bearing on the question of the opening hours because whatever opening hours are operated the adjustment of the measures that we take will be geared to those opening hours. Whether it is open for one hour or for twenty-four hours it does not matter, the measures will be there because if the effect is going to be felt it

has to be countered by measures that have to be taken. In fact we will take it whether there are Spanish customs facilities or not because that is our mission and that is our duty and we hope that we do not have to take measures which are against the comity of nations because measures are taken which are against the comity of nations by the other side. If they were and we were told that this is wrong we would fight for them to be introduced because that would be attempting to defend our economy in a difficult situation where we have to protect the economy of 35,000 people against the economy of a country of 35 million people. I think, Mr Speaker, that I have covered all the matters that I think that have been raised in the interventions that have taken place and I am grateful to the Honourable Mr Bossano for having spoken earlier as I invited him to do because otherwise the reaction of the Government could not have been taken in the wide way in which I have done so. The question of the opening of the frontier or the closing hours of the frontier is really a non-defined domestic matter. That does not mean we cannot talk until doomsday about it but in the final analysis that decision is a Foreign Affairs decision and not a Gibraltar decision. That, of course, does not prevent us or any Members who feel differently in one way or another to make those views known to the British Government. As far as this Government is concerned whilst our relations with the British Government are as they are now which are good - I will just keep it at that for the moment, I do not want to say very good so as not to put too many hopes in other aspects of the matter - we shall certainly and they will take note of what has been said here but we shall certainly not want to undermine in any way by any decision collectively taken here, undermine what we consider to be a strong valid responsible position by imposing as a view from this House matters which I do not think are in the public interest and that is why I object to the words regarding the frontier because I think, and I am not saying this in any way subservient but in the general interest of Gibraltar, I think that would prevent knowing that the British Government is set on having all the restrictions removed, that being the view of the British Government, to try and urge them to do something that they think and I am sure they think, I am quite sure they think, I have not asked them, I do not want to ask them, I make my judgements not what they tell me, what I think is going to be good for Gibraltar, I think that that would be taken not with the spirit perhaps, I will give that credit with which it is done, but at a distance with a negative attitude to the response on what they consider to be at least a beginning of a gesture on something on which we have been complaining for the last 13½ years. Mr Speaker, I have an amendment to propose to the motion in order, hopefully, that the motion will pass having heard what I have to say, that the motion will pass in a way that will show at least

some leadership from here in a way that is not controversial. The first one is for the reasons I have explained, I think, quite clearly, delete the words "the Gibraltar side of the frontier should continue to open and close as at present and further that" and add at the end "in the same way as the Spanish Government has been concerned to protect the Spanish economy and that of Malaga and Ceuta in particular". The motion would then read: "This House considers that so long as there is only a partial opening of the frontier, urgent consideration should be given to the possible damaging effects etc.", and as I say I qualify that by saying that the need will arise anyhow but we are dealing with the situation as at present and then add at the end as stated. I was speaking completely without notes but I have just looked at another of the questions that I was asked on television and it is precisely what I was saying, I was asked: "Do you think it is a genuine step in the right direction?" I said: "Well, it looks genuine so far. I think that everything that Felipe Gonzalez has done appears genuine, as he has been as good as his word. He has done exactly what he said before he went into office which is something that not all politicians do. They say something when they are outside office and they are different when they come into office. In this respect I give credit to him for having done precisely what he said he would do before he knew he was going to be elected. My thinking on that is as clear as my response to the question of the opening of the frontier. I was commenting on his offer and was not giving any particular attention or concern about that. What do you think about that? Well, this is what we have said before, this is the concern. I am sorry that there has been some misunderstanding from misquoting, I hope that will explain that I have always been consistent in my attitude in this matter. Mr Speaker, I commend the amendment.

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

HON A J CANEPA:

Mr Speaker, could I have some guidance from you because sometimes when we have a debate on a motion and there is an amendment, you allow the debate discussion to range over the original and over the amendment and the motion as it would look after amendment provided that the particular speaker does not speak twice. If you are going to be liberal in the application of the rules, I would be very happy to support the Chief Minister at this stage in my capacity as Minister for Economic Development and Trade. If, however, you are going to apply the rules strictly and just going to limit debate to the amendment, then I would rather stay back and not lose the opportunity at this stage.

MR SPEAKER:

I wanted to make clear to Members that they cannot have two bites at the cherry if at the time that they are talking to the amendment they say what they like and then later on say they have not spoken to the general debate. Any Member wishing to speak to both now will forego his right to speak to the general question before the House and I am quite happy to see that happening but we will not have a Member getting up, speaking on the amendment, saying what he likes, and then repeating himself when we revert to the general debate.

HON A J CANEPA:

Sir, I think it is unfortunate in a way that this motion has come to this House, without prior consultation between the Government and Opposition and it has become somewhat clearer as to why that happened and I hope that what I am going to say now about the media, and in particular about television, will not be misunderstood, will not be misconstrued in any way. This is something that is always liable to happen when politicians are under pressure to express their views at the earliest possible opportunity and to comment on events or in statements which are made outside and which affects us. Unfortunately, it may not always serve the best interests that that should happen. I can understand that television have to work to a deadline and also newspapers which are dailies. The Gibraltar Chronicle, for instance, has to appear the next day and we do not tend to get the same pressure from the weekly newspapers. This is an example of what can happen and which is unfortunate. I remember that on June 21st when it was announced at mid-day that the frontier was not going to open on June 25th, that very afternoon there was pressure on the Government to come out with a statement as to what was its attitude to the non opening of the frontier. We were meeting in the Chief Minister's office that afternoon and there was more than one interpretation because GBC wanted to have a statement and what Ministers were discussing was precisely what was our attitude and what was going to be said in a statement. A statement which was made in those circumstances as a result of discussion by Ministers would be a considered statement of Government view, of Government policy, and not just a reaction which one makes off the cuff in answer to a question which very often one does not see before and one is expected to react on the spot. I can understand the Leader of the Opposition thinking that here you are, the Government had taken a decision that the frontier was going to open on a 24-hour basis, he had not been consulted. The Chief Minister had not spoken to him, the Governor had not called him in in exercise of the constitutional position to acquaint him with the attitude of the British Government and to get the views of the Leader of the Opposition on the matter. I can understand how misunderstandings occur and therefore I am taking the opportunity to ask

the media and in particular television, to try and be more understanding, to try to be more flexible, to allow time for matters to be considered before we are expected to make a public statement on the matter. I can understand that they may be suspicious that, for instance, the Government Press Officer is keeping something from them but that is not always the case. There are many occasions when we simply do not know and this is at the moment such an occasion. I have been asked to go on Round-Up tonight with a representative of the Trades Council and of the Chamber of Commerce and I believe that they want to get the Commissioner of Police in as well, if that will be possible or not I do not know, what has come through to me is to discuss the effects on the economy and to discuss the practical arrangements. Well, I do not know what the practical arrangements are going to be next Wednesday and I am not going to be able to say anything more this evening if the programme goes ahead than what I am saying now unless, of course, in the course of today some information comes through from the Foreign Office arising from the meeting which Mr Pym will have had with Señor Fernando Moran. If something comes through I will be in a better position to react but I am not at the moment able to do so. I think that it can be counter productive to try and have a discussion on television of a matter which is of great concern, it can be counter productive in the sense that if we rush it we are not in a position to clear matters and to give the kind of leadership that people expect and the net result can be that the situation becomes even more confusing as I am sure is the result now after last night's programme. I do not think that that was of much benefit to anybody, quite honestly. But, as I say, Mr Speaker, I hope that my remarks will not be misinterpreted, the media have a very valuable role to play in communication, in getting news and comment to the public, and they have the role to play which I would hope will complement and add to the role that we politicians have to play and that the objective, I think, must always be to serve the best public interest of the people of Gibraltar particularly in the very difficult circumstances which the people of Gibraltar have been under for many years and particularly at this very critical juncture in our history. Whatever the situation might be at the frontier, whatever the nature of the opening would be, the Government has of course the duty to consider the consequences and to take whatever measures may be necessary. When it was envisaged that the Lisbon Agreement was going to be implemented 2½ years ago, the Government naturally took the necessary steps to get a Government view and to have a Government decision on the very many matters that were likely to affect the people of Gibraltar and on the very many matters that were likely to come up in the course of discussions following the implementation of the Lisbon Agreement. We went into great detail on that. Negotiating briefs were prepared which in the event when the initial

meetings did not take place and then it was announced at the beginning of this year in January by the then Spanish Prime Minister that the frontier was going to open on April the 20th, in the intervening period, naturally, we have had more time to look into matters in much greater detail and to sharpen up our position on these matters. I think the Leader of the Opposition is himself aware of the fact that over 20 negotiating briefs were prepared giving our attitude and our approach under very many headings, a great deal of homework was done and we were in a very good position to face whatever might come in the course of negotiations. I do not think that we would have been able to cope with every aspect of a full frontier opening, for instance, the traffic problem, and that is because Gibraltar, whenever the frontier opens to full vehicular traffic, Gibraltar will have to face a situation which it has never had to face in its history before. There have never been motor vehicles coming through from Spain into Gibraltar in the sort of numbers which one imagines will occur. We have never had to cope with that sort of situation and as I was always constrained to tell Ministry of Defence representatives who have always had more land than we have at our disposal, we do not have the resources. We need to have more resources and that was the point we were always making in bringing pressure to bear on them. But if steps had to be taken to protect the economy by the provision of car parking at the expense, for instance, of sporting facilities, when what happened was that there was public reaction against that, pressure groups reacting against that and the point that we are making in the House today was not perhaps completely appreciated that steps had to be taken then against that scenario to counteract the adverse effect on the economy of a situation in which there was an outflow of people and capital from Gibraltar into Spain, people going over, spending a lot of money in Spain and not giving facilities to numbers that would compensate coming into Gibraltar, tourists being able to spend money here, being able to park their cars in order to take goods in their cars over to Spain so that at the end of the day the equation was at least as reasonably well balanced as possible. Today we are more aware of the fact that perhaps because of what may happen on Wednesday we need to convince people that the steps that may have to be taken are in the overall public interest. I needed to remind the House that there has been a lot of reaction against other measures in the past and whilst the Government does not have the monopoly in respect of everything that it does is correct, nevertheless we did come under criticism and we came under criticism in this House because of some of the measures that were contemplated. I would hope that we do not have a repetition of that and that we do not just criticise for the sake of scoring debating points and that there should be more consultation outside this House in order to try to arrive at the preferred approach. The impression I think, Mr Speaker, has been given

that nothing has been done in the last 2½ years that we were not ready. Mr Hoare, on television last night, connected the committee which is sitting and making at this moment very considerable progress on the question of Spanish access to the EEC and the problems that that will pose for Gibraltar, with the opening of the frontier. One thing has nothing to do with the other. The man was totally misinformed but that is where we can do harm inadvertently. I am sure that Mr Hoare did not go on television last night purely for the sake of hitting at the Government saying that the Government has done nothing, no, I give people more credit than that. I am sure that it was inadvertent. But it happened. What we have had is a committee that was looking at another aspect of the situation more from a long term point of view and which let me say publicly is more important because what can bring Gibraltar to its knees is Spanish access to the EEC if we are not able to counteract the effect of that. But, unfortunately we still have some time before that happens. But that has nothing to do with the question of the frontier. Another gentleman on television last night said the Government have introduced no legislation to protect the economy. That is nonsense. The Honourable Mr Bossano asked the Government to introduce a measure of legislation which was intended to protect our labour market. The Leader of the GSLP himself asked that that should be done and the legislation was brought at the last meeting of the House increasing fines very considerably so that employers are not able to employ Spanish labour illegally, which could happen next Wednesday, it was very timely that we should have done that because Spaniards can come in in the morning, take up casual employment and go back in the evening or stay here till the next day. So there was a need to strengthen the legislation, there is a need now to employ more Labour Inspectors so that they can go around and ensure that this does not happen because it can have a very harmful effect on the economy. At this meeting of the House we have brought legislation on the question of the importation of goods in commercial quantities. Prior to that, let me add, and well over a year ago, we have taken administratively and through regulations the tightening up of regulations on import control, steps that would have prevented anybody from Spain coming in or a Gibraltarian business interest going over and getting a lorry and packing it with goods and just bringing it over, casually, in order to flood a particular market. That step had previously been taken. Measures had been taken, for instance, to protect on the question of the importation of bread. Not because one wants to prolong in Gibraltar a situation in which bread is sold at the price at which it is being sold. But the fact of the matter is that bread is much cheaper in Spain and I am afraid that the interests of consumers in Gibraltar, of consumers of this commodity, had to take second place to the interests of the need to protect an industry, to protect within reason, an industry which could collapse and if it had

done so we might find ourselves back in the situation that we were in 1969 when I remember we used to go to North Front to some warehouse or other where army cooks were baking bread for us to buy. Bread is very heavily subsidised in Spain and even if the Socialist Government were to remove the subsidy the price of bread would still be very much lower than in Gibraltar. But, people might say: "Well, there you are, the Government is protecting monopolies or quasi monopolies. The matters have got to be weighed up and in the same way as it is done with bread it might have to be done with something else. The interests of consumers cannot be the overriding factor, they must be weighed up against the interests of the economy as a whole and in the interests of taxpayers, generally, and the general body of Gibraltarians. If there is, Mr Speaker, normal two way traffic of goods on a pedestrian basis, fine, but otherwise, of course, we are going to have to take measures to protect ourselves. I do not know to what extent even yet the new Spanish Government has thought this through. Is it suggested that Gibraltarians going over to Spain to spend a long weekend with relatives in La Linea should go empty handed, just with what they are wearing? Aren't they supposed to take a small suitcase over with clothes or a big one if they are going there for longer? Is it suggested that someone going over to Spain should not buy a pair of shoes or the other way round, that people from Spain should not come here and buy a suit of clothes? I do not know, I wonder whether the matter has even now been thought through to its illogical consequences, I would say, because if all that is going to happen is that people are supposed to take over a passport and a fat wallet then we shall have to see about that. That is what those of us who went to Cyprus thought that we should recommend to tourists when you go to Cyprus, just take a wallet or a Barclaycard and your passport and stock up there. I am sure that that cannot be intended, it just does not make sense that that should be the case and I would imagine that what the Spanish Government has in mind is that there should be no movement of goods in commercial quantities. I am sure that they are going to have, if not for Wednesday, certainly very shortly after that, I am sure that logic demands that they are going to have to allow people to make private purchases and to be able to take those across with normal customs conditions. If that is not the case I think that we are going to have very, very serious difficulties and against that scenario I think that the adverse effects in the short term of any opening of the frontier we are told is likely to be negative but if there is that kind of normal traffic I think that they will be much more greatly reduced because the consultants on the Dockyard took the view that with a full opening of the frontier because the economy of Gibraltar had been distorted in the last 13 years and because we were not geared up to taking full advantage of an open frontier, they took the view that initially over the first couple of years or so the net result

would be negative but then we would begin to adjust, we would have time to take the necessary steps in Gibraltar to be able to take advantage of the opening of the frontier and therefore on a medium long term basis the results should be positive. I think the same considerations apply with a pedestrian opening in the terms which I have suggested but to a lesser degree, in other words, the negative effect over the first couple of years, the adverse effects, will be there but in a much smaller proportion because the amount of goods, the amount of movement will be lessened than if there were to be vehicular traffic. To that extent I agree with the Honourable Mr Bossano that it is not a bad thing because instead of losing £2m a year it might be a case of £200,000 a year and we might well be able to bear that. I think, Mr Speaker, that we are very much crystal gazing as to how people are going to behave, what are people going to do in this situation, and we ought to remind ourselves of what they have done in the past. It is extremely difficult to predict what people will do. I get people coming up to me, friends, and saying: "What are you going to do when your sons say that they want to go over to Spain?" And I tell them, and this may amaze people: "The problem does not arise. My sons will not yet for some time be even thinking of going over to La Linea". Why not? Because they have never been there in the past. When I was their age I had been used for 12 or 13 years to go over to Spain, learning the ropes, learning the place with my family but they have never been there, my sons have never been out of Gibraltar without their mother and without their father and it will not arise from them, they will not ask to go. In time to come, after they have been with their parents or with other adult members of the family, of course, they may begin to go, it is like a nestling which needs the parents initially and then is able to flex its wings and is able to look for food and hunt on its own, exactly the same situation. I am not going to say that there are not other younger people who will be colder, of course, and therein comes the problem from a personal security point of view and from the peace of mind of the parents. We are attempting, I think, to predict a general pattern of behaviour involving the vast majority of the population when that may not be the case and if we cast our minds back to the past we can see it. Between 1954 and 1957 many people from Gibraltar did not go to Spain. I remember never going myself until I was 17 or 18 for a period of about four years because there was a campaign against us and because there was reaction within Gibraltar and a campaign led by people within Gibraltar to boycott going over to Spain and that was at a time when the restrictions were not anything like what they were to become in 1964. Between 1957 and 1964 matters eased, it was easier to go over and people started to buy motorcars, the standard of living improved and a lot of people started to go over. Then in 1964 long delays were applied at the frontier to vehicular traffic and again a lot

of people stopped going. A lot of people used to go across through the pedestrian route. In 1966 the frontier was closed to all vehicular traffic and I would say that the majority of people in Gibraltar stayed at home, they did not go over to Spain other than a few thousand who had relatives in Spain, who needed to go over for some reason or another. Those were the days when people in Gibraltar were not able to afford to go on holiday to the extent that they do now and then of course came the final closure in 1969. Today, of course, people have more money, people want to go on holiday, people can make arrangements to walk across and take a holiday in Spain. But if we find between now and next summer that the situation is affecting us very badly then the Government has a duty to consider taking the most serious steps that are necessary and I would not hesitate personally from going as far as we need to, for instance, on introducing exchange control. The British Government had 10 or 15 years ago to introduce measures preventing people, not allowing them to take more than £50 I think it was and we may have to do something similar. One does not like to have to restrict personal freedom in that way, it can be dangerous, it can have other consequences but what we cannot allow, Mr Speaker, is a situation in which thousands of people from here were to go over to Spain on holiday for three or four weeks, for a month, take a great deal of money over, spend all that money across the way, if there is not going to be some element of reciprocity, if people are not going to be allowed to come into Gibraltar, spend a week here, spend a fortnight on holiday because that is going to affect Malaga airport. If that is the attitude of the Spanish Government we will have to make up our minds as to what we are going to do as well. Now, the actual times during which that frontier gates remain open, Mr Speaker. If measures have to be taken from an economic point of view, I think that there should be general agreement about that but I am not sure to what extent the time of opening and closing of the frontier gates whether it is opening on a 24 hour basis or not, has as much to do with the damaging effects on the economy but with the question of security, security from a general point of view and from a personal point of view. But if that is going to be the sole criterion then what we ought to say is that there should be no full opening of the frontier, we should not have vehicular access into Gibraltar because then our security can be undermined to a greater extent because a car could be brought in with a bomb, parked downstairs in the House of Assembly and the bomb goes off and so do we. In that case if that is what we are worried about, keep the frontier gates closed or only allow pedestrian access because the extent to which that can happen is less. That should not be the sole criterion, neither should we be worrying about what our children are going to be doing in Spain at one or two in the morning, that cannot be the sole criterion because those considerations apply to a much greater extent to the full opening of the frontier. There are wider

aspects to be taken into account, there is the question of human rights and these are, I think, all of them much more important. But in the light of events we may find that we have got to do that, we may find in the light of events that we have got to press the British Government very, very hard so that they will see things from our point of view and not as they are seen from Whitehall should events so demand. I think what there is, Mr Speaker, to sum up, is the need for a step by step approach, measure for measure in accordance with the attitude of the Spanish Government and in accordance with their approach to us, always guided by the overriding consideration to ensure that what the Spaniards have not achieved with a closed frontier they must not be allowed to achieve either with a fully opened or with a partially open frontier. Thank you, Mr Speaker.

MR SPEAKER:

I would like to take the feeling of the House because it is one o'clock. Are there going to be many speakers.

HON P J ISOLA:

May I say, Mr Speaker, as far as the amendment to the motion is concerned, what we are proposing to do is exactly the opposite to what the Honourable Mr Canepa has done. I was proposing to reply to the amendment and then the other Members on my side if they wish to speak will probably speak on the general motion.

The House recessed at 1.00 p.m.

The House resumed at 3.35 p.m.

MR SPEAKER:

I will remind Members that we are on the amendment to the motion moved by the Honourable and Learned Chief Minister.

HON P J ISOLA:

Mr Speaker, I am going to address myself to the amendment. I do not propose to comment on what the Minister for Economic Development has said which I think goes to the general issues in the motion except to say that it is amazing how often the press and television have to be told that they have not said what apparently it was intended to be said and I am afraid that in the case of the Honourable and Learned Chief Minister I myself saw him on television and I have a clear recollection of what he said on the Tuesday night and I notice he did not read the part from the transcript in which he said: "Yes, we will open, we have got the police and we have got the customs

all set up for the 24-hour opening". The impression he gave, whether he intended to give it or not, to me was absolutely clear: "We on our side will open for 24 hours". If that is not a breach of the bi-partisan approach I do not know what is, Mr Speaker. It is an important matter because he himself said during the address that nobody knew what was going to happen, he did not know, the British Government did not know until the Spanish Prime Minister announced it himself at the Press Conference on that Tuesday night so that his reaction was his reaction, he was not reflecting the British Government attitude to the announcement of the opening, it was he who committed the British Government and Gibraltar to the 24-hour opening that night and it is because of that that he carries on with it. I think it is a smoke screen when he starts talking about the British Government and we having to go along with the British Government. The British Government has not said that the frontier should stay open as from next Wednesday 24-hours a day. What the British Government has agreed, to my knowledge, is that the frontier should stay open for 24 hours a day once there is normality at the frontier, that is as far as the British Government has gone. I went to see the Governor and the Governor invited me to see him on the 9th December, that was yesterday, and he gave me information. He did not tell me: "We propose to keep the frontier open for 24 hours a day". This is not part of the British plan for this particular opening as far as I am aware so let not the Chief Minister say to this House, put to us that this is really the British Government viewpoint and we have to be careful, after all, we rely on them and I agree entirely we do rely on them but then we should take heed of what they think and we should take heed of what their views are. As far as I am aware, Mr Speaker, the question of the Gibraltar frontier staying open for 24 hours has only been raised by the Chief Minister himself in that television interview, that is my position, so I am not undermining the British Government position at all, I think the British Government's position has been undermined by the Honourable and Learned Chief Minister and unfortunately the position of Gibraltar has equally been undermined. I will quote what the Chronicle, apparently, got all wrong.

HON CHIEF MINISTER:

I object to that, Mr Speaker. I have said that the Chronicle had had the script of my interview and nothing else. What the Chronicle interpreted, as far as I am concerned, is of no value. I have got the script here.

HON P J ISOLA:

I wonder who gave the script to the Chronicle. Who gave the script to the Gibraltar Chronicle?

HON CHIEF MINISTER:

I did.

HON P J ISOLA:

Ah, the Chief Minister.

MR SPEAKER:

You are entitled to quote what has been published if you so wish.

HON P J ISOLA:

All I am doing is quoting from inverted commas and the Chief Minister can look at the script and tell me if I am quoting correctly, when the Chief Minister said: "We had allowed for that to overcome the age-old complaint about Spaniards not being allowed to stay in Gibraltar overnight". That is in inverted commas, perhaps the Chronicle got it wrong.

HON CHIEF MINISTER:

It has not got the question there, has it?

HON P J ISOLA:

"The Chief Minister said that the 24 hour opening on the Spanish side had been provided for in past discussions in connection with previously announced openings which had not materialised".

HON CHIEF MINISTER:

That was not the question. I am going to try and have a copy for you. The question was: "What about the 24 hour opening, that is something new for Gibraltar. Do you think that Gibraltarians fear this a little?" I said: "Well, we had previously provided for that to overcome their age-old complaint about the fact that we did not allow Spaniards to overnight in Gibraltar. I think that it will wear off along, I mean, there will be 24 hours a day but really who is to cross the frontier at three or four in the morning". I was saying what the Spaniards were saying, I don't mind, he can give whatever interpretation he likes to it.

HON P J ISOLA:

No, I am not giving interpretations, Mr Speaker, I am just saying what he was reported to have said in inverted commas, they had the script: "We had allowed for that to overcome

the age-old complaint of the Spaniards". Of course, that had been allowed in terms of a normalisation after many months of discussions to meet the Spanish complaint, put it that way, about overnighting. This was a concession, put it that way, in other words, to show Lisbon Agreement means complete opening of the frontier, relaxation of all restrictions and to show that we do not discriminate against Spaniards as against anybody else, we have a 24 hour opening but that was in connection with Lisbon, Mr Speaker, not in connection with a pedestrian opening of the frontier. The Chief Minister has tried to introduce the element of British Government thinking into this about which I certainly have not heard because the British Government's position, as far as I can see, has been fairly consistent and it has been: "it is either everything or nothing, there are no discussions, there is nothing until Lisbon is implemented". What the Chief Minister is trying to tell the House, put a word of warning: "If we are not good boys we cannot expect the British Government to support us on this". The trouble here is that he stuck his neck out as a result of the statement made by Felipe Gonzalez without any consultation with the British Government, with anybody, because the interview came immediately after the announcement by Felipe Gonzalez and he himself had said that not even the British Government knew what was going to happen or what was going to be said and he said this and now we are stuck with it because he said it now he commits the whole lot of us.

HON CHIEF MINISTER:

I do not commit you but I am not prepared to commit myself to what you think.

HON P J ISOLA:

This is what happened because the Honourable and Learned Chief Minister knows very well indeed that there is great dissatisfaction in Gibraltar, not with the pedestrian opening, there is great dissatisfaction as to the manner of opening as it has been announced, Mr Speaker. It is all very well for the Chief Minister to say: "I have a lot of respect for Felipe Gonzalez, he has done what he said he would do at the elections". But he does not say that he has not done what his Foreign Minister said he would do in "Man Alive" in July, 1982, when he said: "We will remove all the restrictions if we go in". He does not mention that inconsistency and then he relates what the Spanish Prime Minister said during the election campaign to what was said by the Socialists in 1980 before Lisbon, when they took up the same stand as Señor Fraga Iribarne on the question of a step by step opening. And what they said then was, the reason for a step by step opening was; "We take one step, let us see what steps you take before we take another step".

That sort of policy is entire anathema to our point of view. That is exactly contrary to what the British Government stood for and what we in Gibraltar have stood for. The restrictions have nothing to do with the issue of sovereignty or anything else. You put them on, you must take them off. It is not correct to say the Socialist have been consistent, it is not correct to say it. And it is all very well for the Honourable and Learned Chief Minister as, indeed, if I may say in a small aside for the Minister for Economic Development, to say we do not know what is going to happen, we do not know what is going to open, and to put an optimistic slant on it, when we have the clear cut statement of the Spanish Prime Minister of his intentions as far as the Spanish Government is concerned. He declared them. "We want sovereignty within this decade. We are going to allow the opening of the frontier for humanitarian reasons but we will not allow Gibraltar to benefit economically from it". This has been said in clear, straight language, Mr Speaker. It could not have been made more clear by Senor Felipe Gonzalez as to what he was going to do. And the amendment of the Chief Minister recognises that fact because he adds the words to my motion. He is talking about being diplomatic and he becomes undiplomatic in the motion when he said: "In the same way as the Spanish Government has been concerned to protect the Spanish economy, and that of Malaga and Ceuta in particular". Why does he do this? Why does he pronounce this what I would call an act of faith in Felipe Gonzalez, because that is what he is doing. He said: "I have got to give it to the man. He has done what he said he was going to do". An act of faith in Felipe Gonzalez. Mr Speaker, I do not mind the Government having acts of faith in the British Government. We do not mind that but the speech of the Chief Minister was an act of faith in Felipe Gonzalez and to that we object, Mr Speaker, we object because Spanish Governments have said we will do this on such a date and they have not done it, we will do that on such a date and they have not done it. What has been pronounced by Felipe Gonzalez in the Cortes was a continuation of the 1980 Spanish debate of a step by step removal. That is what I think he announced. Not what was said by the Spanish Foreign Minister elect at "Man Alive" when he said: "We must take away all the restrictions altogether". And what has happened is, Mr Speaker, that we have been saddled now, we have been saddled now with a form of opening on our side that was only intended in a normal frontier situation against which the great majority of the people of Gibraltar are opposed. I have no doubt about that in my mind. I have had people coming to me over lunch today.

HON CHIEF MINISTER:

That is why you moved the motion because you go on with the tide.

HON P J ISOLA:

And because I feel strongly on it. That is why the motion was put in the very next morning. That motion, Mr Speaker, was a reaction to the Chief Minister's breach of the bi-partisan approach and his statement on television saying that we will open 24 hours a day.

HON CHIEF MINISTER:

Mr Speaker, he keeps on misquoting. It is very well to get excited but he keeps on saying that I said that we were going to open 24 hours a day, I never said that. The text is here for anybody to see.

MR SPEAKER:

Under the circumstances I think the Honourable and Learned Leader of the Opposition on the information and evidence that he has can interpret it in a particular manner. You will most certainly have the right to reply which will enable you to put matters as you see them.

HON CHIEF MINISTER:

But he can repeat the wrong thing 20 times and it is incorrect.

HON P J ISOLA:

Well, Mr Speaker, I heard the Honourable and Learned Chief Minister. I saw him, I am not a fool. I think I understand the English Language. I may not be as adept in the Spanish language as the Honourable and Learned Chief Minister and my Honourable Friend Mr Bossano are, I know I am not, but as far as the English language is concerned I understand the meaning of words and I got the impression, and it was as a result of that that I came rushing to this House on the 8th and put a motion in precisely, in an attempt to avert what I thought was a wrong Gibraltar situation and since the Chief Minister had made these remarks quite unilaterally and without previous consultation, I felt and I am sure the House will agree, perfectly justified in bringing it to this House because we happened to have a meeting in this particular point of time. It is true, Mr Speaker, and in fact the Minister for Economic Development said it, he said we would have to see what happens. It may be that we will have to change. Yes, that is absolutely true. But did anybody ask us to keep our frontier open for 24 hours a day? Has anybody asked us this question? No. Did the Spanish Government consult before saying they would keep it open for 24 hours a day? We have had our frontier open for whatever it is a day,

12 or 18 hours a day, for 13 years. They have taken no notice of that. They have not opened because we have kept our frontier open. But we as soon as they say we are keeping it open 24 hours we jump and say: "Well, the question of over-nighting was a problem with them, we will now cooperate". We object to that, Mr Speaker, and I think any thinking person in Gibraltar will object to that, too. If the British Government comes to us and says: "Look here, the Spaniards are going to keep it open for 24 hours. We think that you should consider this yourselves". After listening to our arguments because I have made the representation to the Governor, I told him on Thursday, my views on this. A bi-partisan approach is not just information, it is also consultation. The Spanish decision was made on Tuesday, we did not have to announce ours that same night. And if the British Government thought that, they could have come to us and said: "What do you think? And I could have said: "Well, I think this". As I have told the Governor on the 9th. I think it should not be open 24 hours a day because this is a partial opening of the frontier, it is a unilateral act, alright, it is an act of goodwill, it is an act of good faith, so be it, but I will be convinced when I see it. I will be convinced that it is an act of good faith when I see how it operates. And if it operates in a way that is perfectly reasonable, then I will say fine, alright. But we do not know, Mr Speaker. Even the Chief Minister himself has said it, we do not know. What we do know is the statements that have been made. The statements that have been made show a remarkable amount of knowledge about the situation of Gibraltar. Why does the Chief Minister think they said only one visit a day? He himself has provided the answer. We know the situation, we know why he said that. But Señor Felipe Gonzalez, Prime Minister, President of the Government of Spain, with all the problems he has got, he picked that one out. He has really done his homework Mr Speaker, hasn't he? That indicates the manner of opening to me. That indicates it. That indicates Centas's influence, if you like, and everybody else's influence. These people must not benefit, must not benefit from the opening. That is not a friendly act. I do not agree with my friend Mr Bossano. Of course every country looks after its own interest, that is natural. Of course in England and in the European Community they fight for things and they argue and they negotiate. It is part of the essence of being. But you do not tell another people: "I will not allow you to proceed and lead a natural life because that is going to bring you benefit. Not going to prejudice me, but going to bring you benefit", which is the manner of opening. That is why we say, let us not have a friendly response, if you like to call it that, until we know that it is a friendly opening. We just do not know and in my view the frontier has been opened unilaterally, even the overnighting problem is a problem of Lisbon and not a problem of a partial opening. And let me see when

there is full normalisation, then we will deal with that problem but not now, Mr Speaker. I think the Chief Minister does no service to Gibraltar in insisting on his amendment because he knows that if he agrees to the motion as drafted he has to eat his own words. That he does not like doing no matter what the effects and that is bad for Gibraltar.

HON J BOSSANO:

Mr Speaker, I said when I spoke on the main motion that I was supporting the motion and that I was not moving any amendment and I gave the reasons for supporting the stand that we should control our frontier as we wished to control it and that it should be up to us whether we wished to have it open for 24 hours or not and that because of its symbolic rather than for any practical difference that it would make, either economically or socially, that I was supporting it. But I am not sure if that is the reason because, in fact, that is for me sufficient reason to say that I cannot accept the amendment. I think the argument that I put was not countered by the Chief Minister. The arguments and he used might make a difference if I was a supporter of the Lisbon Agreement but I am not so therefore it does not bother me if that is rocking the boat. I am not concerned about whether the boat is going to be sunk, the more rocking of the boat there is the more merit I see in the situation. The arguments that he has used have not been enough to persuade me but I think there are two elements that appear to have just been introduced by the Honourable and Learned Leader of the Opposition which I do not quite know where it comes in. If saying that we want our frontier to be closed at the same time as it has been up to now is in fact an assertion of our right to regulate our own affairs and that we are not falling over backwards to accommodate anybody else, then I think that is the right approach. If it is in fact a response because we are not sure whether the pedestrian opening is intended to be friendly or not, then I do not think that enters into the question, quite frankly. I do not see how anybody can gauge whether the intention is a friendly one or not. We are being told by a lot of people, both in the local area and nationally, that it is a gesture of goodwill. Whether it is a gesture of goodwill or not is really impossible to tell unless one can get into the mind of the person that took the decision but they are alleging that it is a gesture of goodwill and as far as I am concerned my position is that the pedestrian opening, of itself, would not be more detrimental than a complete lifting of restrictions and that possibly it is less detrimental, so I cannot see it a malevolent move. Otherwise I would have to agree with the analysis that in fact they are deliberately acting in a way which is designed to hurt Gibraltar's economy by limiting it to pedestrians. I do not think that that is the effect and therefore if that is what they are intending to do then they are going the wrong way

about it. I think that the idea that we have got an open frontier which is no different from any other international frontier in itself will not produce a boom. I don't see why anybody expects, for example, that the tariff barrier between Ceuta and Spain should be identical to the tariff barrier between Gibraltar and Spain. After all, the Spanish Government can if they wish put a special rate of duty on imports from Ceuta because Ceuta belongs to them and they can say that imports from Gibraltar of Japanese products will pay the same duty as imports into Spain from Japan directly. That can be said to be an unfriendly gesture particularly if you are in the business of selling videos, very unfriendly, because you are being hurt. But whether we can defend politically or internationally, for example, that if Spain decides to give Ceuta preferential treatment, the treatment accorded to Ceuta should be accorded to Gibraltar by Spain with whom we want nothing, with whom we do not want to discuss sovereignty, I do not see how we can defend that position politically. I certainly do not expect it of them and I certainly do not think we have got any legitimate grounds for condemning it if they don't and I think that we have got to understand that the fact that they are saying that they will implement the Lisbon Agreement does not mean that they will not when the time comes, if they are put under pressure by commercial interest in Ceuta to take steps to protect them, does not mean that they may not then decide that in order to ensure the viability of Ceuta for which they have a responsibility, like the British Government has got a responsibility for the viability of Gibraltar, they will not encourage Spaniards to do their shopping in Ceuta by giving special allowances to Ceuta, and that they will treat Gibraltar just like any other normal frontier, like goods coming in from France or anywhere else. I think that that has got to be taken into account and I think if the stand that we take here is that if they do that they are being unfriendly to us, well, I think that may go down well in Gibraltar but it certainly would not make any sense anywhere else. The other point that the Honourable Member has raised has been the question of overnighting, whether this was a problem and we were willing to cooperate. I do not know whether in fact the Government raised this as a reason for wanting, I certainly did not hear them say so, did he? I did not hear him say that in fact one reason for keeping the frontier open 24 hours a day was to overcome the accusation that has been made against us on more than one occasion. I was just wondering whether it was something that I had missed here because in my original submission in his speaking in support of the motion, I said that I did not see why there was a connection. In fact, the opposite could be said to be true because if you close the frontier at a certain time, then you are forcing them to overnight in Gibraltar, they cannot get back. I think that is a total red herring as far as overnighting is

concerned. I accept that the Government has got the right on this issue like on every other issue to say the Government has given consideration to the matter and the Government policy, in its wisdom either because they do not think it would be worth it or whatever. A number of arguments that have been put by the Honourable and Learned the Chief Minister I think are understandable if you are approaching the question of maintaining friendly relations with the United Kingdom Government on the basis of cooperating with the Lisbon Agreement and if you think that the British Government, of the relations with the British Government, or it is going to be taken very unkindly there, I am not in a position to make a judgement on any of those things. If the Government's judgement is that and that is the reason, they have a majority in this House and they are entitled to defend that policy. It has nothing to do with all that I think or anything else. I do not agree with it and therefore as far as I am concerned, I am voting against the amendment because it may upset the British Government if we ask them to keep the frontier closed at night, it may, but if it does I am not bothered by that so that is not an argument that carries weight with me. And it may upset the Spanish Government and they may decide not to implement the Lisbon Agreement but if it does it does not bother me either so I am prepared to take those risks. I do not know whether the Honourable Member, I am afraid I was held up downstairs by a couple of constituents with problems before I managed to get up here, so I do not know whether the Honourable Member has touched on what was said at lunch time.

MR SPEAKER:

No, we have not.

HON J BOSSANO:

I do not know whether that has a bearing on the situation. If it does materialise, of course, because Spring is a very long way away but if it does materialise presumably the parameters to the motion have been shortened by what has happened this morning in the sense that I think the spirit in which the motion was being put was that here was a pedestrian opening with no concept of the length of time for which it would last. The time scale has been theoretically, anyway, shortened this morning and I saw on Spanish television the actual interview with Señor Fernando Moran where, in fact, he described the pedestrian opening as a gesture of goodwill but said that it was not a gesture of goodwill intended to produce a reciprocal gesture either from the British Government or from the people of Gibraltar. He also said that it had been very well received in Gibraltar. Obviously, he has not been updated on the debate this morning. But, anyway, as far as the official spokesman of the Spanish Government is concerned the text is that it is intended to be seen by us as a friendly gesture,

whether we see it like that or not, and that it is not intended to produce on our part anything in exchange. Therefore I don't think they could be said to be looking for us to open the frontier necessarily at the same time as they do but I think they would probably expect it to happen, I think that we would probably expect that if they have theirs open at night I would think they would probably think we are being bolshy if we closed ours. But I do not think that is a major consideration for us I think we must take the decision of doing what we think is right because that is essentially the stand the Spanish Government has taken and I think it is the correct turn for them and this is why I was not defending the philosophy of the Spanish Government. As far as I was concerned it is not my job to defend their philosophy. What I am saying is that their philosophy is understandable and should come as no surprise to us and that they should say quite publicly and quite categorically and without any ambiguity that in the development of their relations with Gibraltar and in their removal of the restrictions, they will make sure that their interests are not hurt and that to me is a very sensible thing for them to say. I think it is obvious that we must be saying the same thing, that in the removal of the restrictions we must make sure that our interests are not hurt but we are the ones that have got to make sure we cannot expect them to do that for us, Mr Speaker. They have got no responsibility for doing it and, in fact, it would be conflicting with their interests and therefore, coming back to the amendment, I cannot see why we need to say in this House that we are going to protect Gibraltar's interest in the same way as they have been concerned to protect the Spanish economy. Even if they were not concerned, even if tomorrow they change their minds, we still should do it. The fact that they are doing it is comprehensible. If I was in their place I would want to do the same thing but even if they do not do it I would still want to do it here. That is as far as the second part of the amendment is concerned. I said myself Mr Speaker, that I did not want to move any amendment myself to the motion because I was accepting what I took to be the fundamental principle at stake of an assertion of our own, shall we say, independence of spirit on this issue, but if we take that part away what we are left with is the motion that I am not very happy with. I would prefer not to have the motion at all, really, than to have what is left after the amendment because what we are saying, that because there is only a partial opening we consider that the Government of Gibraltar should protect the Gibraltar economy in the same way as they are protecting Ceuta and Malaga. Does that mean that if they stop protecting Ceuta and Malaga we don't expect the Government to do it or does it mean that if the opening is not partial we do not expect the Government to do it? We are putting qualifications on what the Minister for Economic Development said he would do anyway without qualification and however tough the measures were

that were necessary so I am perfectly satisfied with the stand taken by the Minister for Economic Development without a motion and I would not support this motion because it seems to be asking him to do less than what he is prepared to do without the motion. I cannot support the amendment and I think when the amendment is passed, I will probably abstain then on the amended motion because I am not going to vote against it either because what I am saying then that I don't want measures of protection to be taken, but it makes it all very difficult; I think.

HON MAJOR R J PELIZA:

Mr Speaker, I would like to speak on the amendment.

MR SPEAKER:

Then I take it that you expect to speak on the general question again.

HON MAJOR R J PELIZA:

I might. I am reserving my position. I am not going to tell you that I will because again, I might not.

MR SPEAKER:

Then I must tell you that you must speak only to the amendment.

HON MAJOR R J PELIZA:

Oh, yes, and I came very prepared to make myself very clear to you. What I want to speak now on is, firstly, the bi-partisan approach which, obviously, is part of the amendment. But the reason why, as I see, the Chief Minister has introduced the amendment. Secondly is the closing of the frontier at night which is the bone of contention in this particular motion, Mr Speaker, and, finally, the extra tail, a very ugly tail I see it, that has been added to the motion about Ceuta and Melilla. Those are the three points that I intend to develop starting of course with a bi-partisan approach of which we find, however much Sir Joshua may wish to give it a low-key interpretation, because I was listening to television too and there were people around me listening on television as well and the conclusion from what he said was that as far as he could see there could be no harm in leaving the frontier open at night because after all who would want to go at 3 or 4 o'clock in the morning, it would not cause any problems, really, that is the way that it was seen. Sir Joshua has got a lot of experience, he has been 40 years in politics, he knows how the words of politicians are noted very carefully, everything they say. The average man in Gibraltar, I would have thought, from what they heard on television, any

reasonable person in Gibraltar, if we want to use the standard legal phrase, would have interpreted what he said that the view was that he felt that the frontier should stay open at night. There is no denying that.

HON CHIEF MINISTER:

If the Honourable Member will give way I think we might save a lot of time. I do not say that I said it was alright but I accept that I didn't say that it wasn't, I accept that. If you look at the whole text I accept that I said that this is what they said and that is how we had thought of it at the time of the Lisbon Agreement. I did not say I think it is wrong, because I do not think it is wrong.

HON MAJOR R J PELIZA:

Mr Speaker, the more the Chief Minister speaks the more he accuses himself of having said what he says that he said. I would advise him that if he wants to come out with more respect out of this matter...

HON CHIEF MINISTER:

I don't need any advice from the Honourable Member.

HON MAJOR R J PELIZA:

I am not going to give any more way. He can talk at the end. He should not get excited that way, Mr Speaker, after all he has had 40 years in politics, I have only had 12 and I seem to be taking it better than he is. Mr Speaker, I think it is conclusive there is no question about it that the Chief Minister spoke out of turn, he could have given a guarded answer if he had realised that he has a convention with my colleague the Leader of the Opposition about a bi-partisan approach and I am sure that we all know this is a big event, there is no question about it, the opening of the frontier is a big event, a very serious event for Gibraltar and perhaps when I speak later I will explain why, not now; Mr Speaker, and therefore it is a very serious event and of all the things that have happened to consult the Leader of the Opposition this I would have thought was a most important one, and he did not. And then he comes here and accuses the Leader of the Opposition of having breached the bi-partisan approach. That, Mr Speaker, is not acceptable and no matter how much he may wish to argue he cannot convince anybody that he is right. The point is, why did he do that? This is what is so unexplainable. I think that my Honourable Friend has explained clearly that he could not have had a directive from the British Government, he could not. He says he would not have accepted a directive, well, that makes this point even stronger as in that case there was no reason whatsoever for

not consulting the Leader of the Opposition. I think we all agree that in foreign affairs we have got to, whether we like it or not, take into consideration what Her Majesty's Government have got to say, of course we have to. They are responsible for foreign affairs. They have the authority, they have the strength. But he cannot use that excuse for having acted in this way on this occasion, that is what I am trying to say. If that had been so I have no doubt that the Leader of the Opposition himself would have been called by the Governor and told it is very, very important that on the question of the opening of our side of the frontier that we immediately lift the night closure. But this has not happened, it is obvious, because the Leader of the Opposition I know is very concerned about the way Her Majesty's Government think on the question of foreign affairs, of course he is, and at the end of the day whether we like it or not we depend on Her Majesty's Government. We are impotent to do anything ourselves on foreign affairs, of course we are. Foreign affairs is not a question of convincing people with arguments. Behind the scenes of foreign affairs there is a lot of horse trading and we have no horses to trade. The only people who can speak on our behalf is Her Majesty's Government. They are the people who can give something in return, we have nothing to give, but Her Majesty's Government might, it has nothing to do with Gibraltar and I will come to that at a later stage. I think that it is absolutely clear that it was the Chief Minister who was at fault and I am very sorry for him because I am sure that my Honourable Friend has no resentment, he rises above that level and always will, he puts Gibraltar first and I am sure that when the time comes again to speak together about foreign affairs, whatever may happen to this motion, my Honourable Friend is big enough to go and see the Chief Minister and see if they can mend their fences. It is a pity of course, that the performance of the Chief Minister has not risen to that height in this House tonight.

HON CHIEF MINISTER:

If the Honourable Member will give way. The first thing I said was I hope that though I did accuse the Leader of the Opposition of breaching the bi-partisan policy, I said that I hoped that this would not happen in the future, I said that, whoever may be at fault, I said that, so I do not need any lectures from Major Peliza:

HON MAJOR R J PELIZA:

If this is not to happen again, Mr Speaker, it is the Chief Minister who has got to restrain himself and close his big mouth, to put it bluntly. It seems as if after all it is as if the Leader of the Opposition who is to blame but the

Leader of the Opposition is not to blame. And then we find that his good and loyal Minister for Economic Development comes along and tries to defend his position very loyally, and I praise him for trying to do that. And what does he do, he almost blames the press for the Chief Minister having made that statement and almost tells the press that they should not be in a hurry to get news. I personally would fear the day that the press does not dare to run after politicians to find the news. I hope they carry on doing that all the time. That is the essence of freedom of speech and therefore they should be absolutely on the go. And if anything happens they should be questioning the people who are responsible for politics because the people want to know immediately and the only way the people can know is by what the press tells them. Therefore they are absolutely right, perfectly correct in going and ringing telephones and waiting at the doors to find out as soon as possible. The day they fail to do that, Mr Speaker, we fail to have a good press.

HON A J CANEPA:

If it is so important to get a question answered at 4 or 5 o'clock in the afternoon, why isn't there a news flash at 4 or 5 in the afternoon, why do they wait till 9 o'clock that evening?

HON MAJOR R J PELIZA:

Mr Speaker, I would never like to interfere with the press as to what they do and I hope that the Minister does not want to interfere with the press as to what they want to do. The press is free to put a flash whenever they want to or not put it, that is their business. Their business is to find news and then to propagate it in their own way and that, Mr Speaker, does not seem to be the view of the Minister for Economic Development and I do hope that if he is ever Chief Minister that he does not carry his views to its logical conclusion because then he will be interfering with the press.

HON A J CANEPA:

That is an intolerable remark from the Honourable Member opposite. He should withdraw that remark.

HON MAJOR R J PELIZA:

I am not going to give way.

MR SPEAKER:

The Honourable Member need not give way if he does not want to but he must speak to the question before the House.

HON MAJOR R J PELIZA:

But I am, Mr Speaker, this is very much related.

MR SPEAKER:

The relationship between a possible future Chief Minister and the press is not relevant to the question before the House.

HON A J CANEPA:

If the Honourable Member will give way.

HON MAJOR R J PELIZA:

No I am not going to give way any more I am sorry. I always do but I am not going to give way any more because otherwise I will not be able to develop my theme, Mr Speaker, with so many interruptions. I know that what I am saying are very hard facts and perhaps they are unpleasant ones for those who hear them. They may be unpleasant but they are truthful facts, Mr Speaker, and I am just developing arguments from what we have heard here today. No one can accuse me of saying things that we have not heard here today. All I can say is that on that question, Mr Speaker, I am absolutely satisfied that we on this side of the House did not breach the convention. And I think it is possible to come together again, I am sure the Leader of the Opposition will try and pursue his role of trying to forge a common policy on the question of Gibraltar and Spain. Now, Mr Speaker, to the second point, the question of 24 hour opening. At the Lisbon Agreement it was agreed that the frontier would open all night when the agreement was implemented, that is what was agreed. The Spanish Government so far have not honoured their side of the agreement and therefore there is absolutely no reason why we should give way on that particular point. I do not believe that giving way on that matter would in any way have encouraged the Spanish Government to proceed any further and the proof of it is, Mr Speaker, that today Señor Moran has said that they are going to try and go ahead with the Lisbon Agreement. Surely, not because we are going to keep the frontier open at night, because the Chief Minister has said that he is going to do that, surely that has not reached his ears so quickly, so it has nothing to do with that. I know what it has got to do with, and it was said on television, that Britain is going to help Spain to go into the Common Market and has been told quite clearly that if they do not implement the Lisbon Agreement they will not get Her Majesty's Government's support. That is the truth and that is the horse trading. I remember a long time ago at the beginning of the restrictions when Mr Amery came here to Gibraltar, I remember him saying: "One day the Spaniards will want something from us. This is when we are going to force them to

open that frontier". Now they want something. They want to be part of the EEC. And they know perfectly well, in fact they said it quite clearly, that they have to open the frontier not for pedestrians only, fully open. So they know now that there could be no question of Spain going into the Common Market with a closed border. So therefore that is what has moved Señor Moran and that is all the kindness that we see coming because now they know that if they want to belong to the Community they must behave like a member of the Community. So, Mr Speaker, I think that for us to hold our position as we should, we should demonstrate by every possible means that the frontier according to the Spaniards is being opened on humanitarian grounds, in fact, by saying that, they are accepting and admitting they have been acting inhumanely all the time. For the first time they have accepted that because otherwise they would not have used that word, so all those years they have been acting inhumanely and now they say they are going to open on humanitarian grounds. What happens if they open on humanitarian grounds? We do not know, the Chief Minister does not know, we have heard it here today and yet although he does not know what that means let us give away everything we have. What have we got? The only thing we have is opening at night because I do not think there is any other concession we can give, we are not going to give a little bit of North Front, are we, or part of Main Street, a chunk of the Rock up there? We have nothing to give so the only thing we could say is: "Look, you are accusing us of perhaps not acting as a proper frontier open all night, we are prepared to do it" and that trump card which is the only card that we have, we have just given it away for nothing because they are going to open on humanitarian grounds. I cannot understand that, Mr Speaker. Whilst if we had kept it as it was that was a symbol of our determination to hold the position as it is today and that, in my view, is important. It is important for more than one thing. It is, I think part of the public relations of Spain internationally-wise, particularly for the British public, to show that they have now given way. The people in Britain now say: "The frontier is opening", that is all they know. The people in England who are probably the best informed other than the Gibraltarians themselves when they hear that they are going to open on humanitarian grounds, all they think is that they are opening the frontier, aren't they, and they think that everything is normal. We have got to show that everything is not normal and therefore by keeping those strict hours that we had before, if someone were to ask you that they are open all night and you are not, then you can explain why, then you can say why it is that we have reserved our position and in that way the public will become better informed and journalists will come here and say: "But why is it that they open all night and you don't?" and you explain why, because they have only opened on humanitarian

grounds, because that is only a police post or whatever it is that is going to happen because nobody seems to know. I have a feeling that not even Señor Moran knows what is going to happen; that is my own impression. Therefore that is part of their international public relations; now Spain is a humane country, that is what they will say, with regard to Gibraltar. As far as Spain is concerned it is also important we should keep it the way it is so that the Spaniards understand the feeling of the Gibraltarians; so that they are reminded of what they have been doing for the past years, so that they see that if they really want to make friends with the Gibraltarians they have got to think on more than just humanitarian grounds, they have got to think of friendship and if they had opened it in a sense of friendship, yes, but no, of course not, because perhaps the Spanish Government could not take that step now and therefore they had to think of something and say: "Look, Spaniards, we cannot carry on being so inhumane with the Gibraltarians" and as no one is going to say: "Well, of course, we cannot be inhumane, we will allow you to open the frontier, Señor Felipe Gonzalez". The military cannot object, the extreme right cannot object and that was, in my view, the diplomatic way of selling it to the extremists in Spain and perhaps to the general public in Spain. But that does not mean to say that the whole thing is over, in fact, we had Señor Oreja who was the fellow who signed the Lisbon Agreement, as reported in The Times yesterday, objecting to this already. So it is not a foregone conclusion that even if with all the goodwill in the world Señor Felipe Gonzalez and Señor Fernando Moran could go ahead and give us everything that they would perhaps want to give us in terms of friendship, they had their hands, I suppose to some extent tied. We all know that Spain is a military inhibited democracy and therefore I can understand that they are in great difficulty but not because they find themselves in that sort of situation we ourselves are going to surrender, as it were, the only card that we have in our hands and I think it is totally wrong. I think my Friend Mr Bossano made a very good point there. If they say that Spaniards are not allowed to stay overnight in Gibraltar, well, that is the very opposite now, in fact, if they come in and they forget that they have to be out by a certain time they would have to stay in and not go back to Spain and that would prove conclusively that we would not stop them from staying if they wanted to and that perhaps could even do some good to our business because lots of Spaniards who may wish to see night life in Gibraltar if the frontier is open at night they have to go back if they want to, they can go back, but if the frontier is closed they would have to stay here and that may result in a few more hotel beds being filled up at night, perhaps more restaurants doing more business so there is even an economic reason for the time being for closing the frontier at night because it might encourage lots of people who come over from the other

side of the frontier not just to walk in and out but even stay here overnight. I do not know if the Chief Minister has given thought to that but I think that is a good economic reason for doing so. If I were to be Minister for Tourism I would certainly like it to be that way, I don't know how the Minister for Tourism thinks about this, but I am sure that I would like to see that people coming here would have to stay at night or at least encourage them to stay at night. Mr Speaker, however much we may wish to demonstrate to the Spaniards that there is really no ill-feeling against the ordinary man in the street because I do not think that there is in Gibraltar, there is no anti-Spaniard feeling, there is anti-Government feeling, I do not think against the ordinary man, Mr Speaker, and how much we may wish to do that I think one thing we must not do is make Gibraltar a doormat and that, Mr Speaker, if I may say so, is what we do when we act in the way that the Chief Minister is acting with regard to the question of lifting the night closure of our frontier. I think our gates have always opened between certain hours and nothing, in my view, has happened that should force us to change our way of doing it and to do that is immediately to show over eagerness. Mr Speaker, that could be counter-productive because it happens to anyone who is a good salesman, he knows that when the client is very eager to get something the price goes up. I remember when the Chief Minister said: "Give Spain some hope". I think because he used to say that, precisely because he said "give Spain some hope" that the Spaniards have carried on being for so long the way they are because they thought; "When the Chief Minister has said that it means that he is just about to give in and let us hold it off". Therefore, Mr Speaker, any gesture which shows over eagerness on our part is not in our interests and therefore, Mr Speaker, in that aspect as well I would say no, the position today must be firm as far as we are concerned, friendly but firm. And finally, Mr Speaker, on the question of the last bit of the amendment. I think the Chief Minister has now realised that what he said on television was not popular and the Chief Minister is very good at that 'A' level standard at that, Mr Speaker, getting to feel how the town feels. He knows when what he says is popular and he knows when what he says is not popular and he has realised now that the question of opening the frontier right through the day and night is not popular in Gibraltar, he has heard that, a little bit too late, he was too quick off the mark, so now he has got to demonstrate strength, so here we are, we have got to fight it like hell. What do they think about Ceuta and Melilla, if they do that we will do the same and so he has added incongruous additions to the amendment, Mr Speaker, to show some strength where he has shown weakness, that is the only way he could balance it because it is completely out of place. They are not talking about far reaching effects to the economy, we are looking at it now without even knowing what is going to happen and this is the spirit in which the Leader of the Opposition has

phrased the motion, Mr Speaker. If you read through it, it is clear, it is to meet the immediate effects of this event, it is directed at this event, it has nothing to do with the Lisbon Agreement about which I think I will have to say something later, Mr Speaker, when I speak later if I do. But this, Mr Speaker, is completely and utterly out of place and I think my Honourable Friend Mr Bossano made a very good analysis of the situation in that respect. If they want, as he said quite rightly, to increase or decrease the duty in and out of Ceuta who are we if that is the way that they meant it. We did not know what they mean by protecting Melilla and Ceuta, we do not know, we do not know half of the things they said.

HON CHIEF MINISTER:

You were in London, we heard it.

HON MAJOR R J PELIZA:

I heard it here, too. That is a good red herring now. When the Chief Minister is scraping the bottom of the barrel he produces London. I know now that he has nothing more to say, nothing more. Probably London will come out again, Mr Speaker, it tends to be repeated, it has been for the past ten years, so it will probably go on for another two, I don't know, unless we go into Government and then he won't be able to say I am in London because I will be in Gibraltar then, Mr Speaker. At the moment, Mr Speaker, to me, the amendment is absolutely necessary. It is only face saving for the Chief Minister and all he is trying to base it on because he started that way because he has no other argument, is that my Honourable Friend really was in breach of the bi-partisan approach, that is the way he started and then he developed everything else, in other words, if he had come to me perhaps we could have had a motion which would have been agreed to by everybody, if he had come to me. Not if the Chief Minister had gone to him which I think is what his duty is. To try, Mr Speaker, and reverse the situation and to say that my Honourable Friend is to blame, there is only one word in Gibraltar for that Mr Speaker, "cara dura", that is what it is.

MR SPEAKER:

May I ask whether you are going to speak on the amendment?

HON M K FEATHERSTONE:

Just on the amendment, Sir. But before I start on the amendment, Sir, I read a book the other day and there was a phrase in it which I think I saved specifically for the Honourable Major Peliza after one of his outbursts as we have heard today "a sophisticated rhetorician, inebriated with the exuberance of his own verbosity and gifted with an egotistical

imagination that can at all times command an interminable and inconsistent series of arguments". That is what we have had from the Honourable Major Peliza but it is nothing new, we get it every time. I will follow, and I am going to be relatively short, I will follow the same free line of argument of the Honourable Major Peliza. The bi-partisan approach. Of course this is what the Government likes to see but there are times when the Chief Minister who, whether the Opposition likes it or not, is the leader of the Government and the leader of Gibraltar, is asked and it is usually by the media, sometimes a visiting Spanish journalist, sometimes our own TV, for a statement on something which may have only occurred as occurred the other day a few minutes or a few hours beforehand. If he could say: "I am sorry, I cannot answer you, I have got to go and consult with Mr Isola". Is he to be tied to Mr Isola's coat tails all the time? Well, of course not, the Chief Minister must have full freedom of action to say in defence of Gibraltar whatever he thinks fit at that moment and to give the answers that he thinks are the correct ones and this is exactly what he did on TV the other night. When there is time to consult then of course this should be done and before this motion was produced there was time to consult and this is what the Honourable Mr Isola, who is tied to this bi-partisan idea according to him, did not do so, it is he who has failed dismally, it is he who has breached the agreement. He had ample time, he did not do it, so it is on his shoulders that there was a breach of the policy of consultation. Now, Sir, as for the 24 hour opening. We, of course, would like to see the frontier open on a normal basis as envisaged by Lisbon as soon as possible but if the Spaniards today are only willing to go X% of that way, well, are we going to gain anything by saying: "Ah, you are willing to go X% but we are going to go one worse, we are going to go X-Y%". This I think would be a futile policy. If they say: "We will open 24 hours a day" then, surely, the least that we can reasonably do is say: "You have gone that far, we will meet you, we will do the same". This is the first step towards the normality that we hope will come in due time, perhaps the sooner the better, towards what will be the ultimate solution. This is just the same for the addition that has been suggested to the motion. As far as Spain is ready to go we can meet them. If they are willing to be reasonable to the personal movement of goods across the frontier well and good, we should do exactly the same, but if they want to be bloody minded who is to deny us the right to be equally difficult, to say exactly the same as they say; no movement of goods on a personal basis, we are not talking on commercial terms, we are talking on the purely personal basis of the person who comes over here or the person to wants to go to Spain with perhaps a suitcase with his clothing to visit his relations and perhaps take some sweets for the children, a box of chocolates for the mother or the family, if that is not to be permitted we can be equally sticky.

At least we can consider such measures and that is what exactly we are asking to do, let at least the sauce for the Gibraltar goose be the same sauce for the Spanish gander. I support the amendment to the motion fully, Sir.

HON CHIEF MINISTER:

I am grateful to my colleague who I asked shorten his intervention because I think we have had enough of Spain for the whole day, but I am grateful to him for having perhaps done in a better way than I could have done, to explain the position and that position precisely is the one that Major Peliza was telling us we should do, that the press have to be there and you have got to answer. I said at the beginning that the circumstances under which I did the interview was that that evening they asked whether they could come to my house, I had been at a meeting, to record an interview and I said, yes, and I must say the more I read the script of this interview the more proud I am of what I said in the circumstances in which I said it and I do not regret one word of it at all because I reacted as I have every right to react, as my colleague has rightly said, as I have every right to react and if every time I am asked by the media to give an interview Major Peliza expects me to go looking for Mr Isola, he is completely wrong. The matters on which we discuss this are matters of great import but as Mr Featherstone has rightly said there are times when there is no time for consultation and there are times when there is and that was my opening remark. One thing is saying something to a paper and the other one is bringing a motion for the whole House to decide. There you highlight if there has been any difference or there could have been any difference of opinion, you put the stamp on the difference rather than to alleviate any difference that could have happened, if it had happened, by a quick interview or something like that. So, really, I must lay the whole blame for this apparent breach of the bi-partisan approach on the Leader of the Opposition and nobody else. He had time to tell me: "Look, you said this last night, would you think that perhaps we could have a motion that would make the position clear?" He did not do that, he came along and even asked for the suspension of Standing Orders without even having the courtesy of telling me that he was putting the motion, I only read when it was given to me by the Clerk of the House, and therefore I made no apologies for not calling him before I made an interview. I would never call him before I make an interview nor does he call me before he makes an interview but there is time to discuss and consult otherwise. The circumstances on which I gave the interview; there is a bit about the 24 hours which I did not read this morning, I didn't notice it by omission, but I am going to read it now because it further confirms what happened. The first question was not recorded, I don't remember what it was but the people who recorded the interview I remember when

I saw it on television the first question was not heard but it was something about: "Did you have any prior knowledge of this announcement?" and the recording goes: "No, not at all. I have not heard the latest news otherwise and as everybody has heard on the Press Conference given by the Spanish Prime Minister and that is all I know and in fact I haven't even heard about the 15th. I didn't hear that part of the interview about the 15th being the date because I was at a meeting and I didn't hear that part of it but, anyhow, he made it clear that it was for pedestrians and I think that he also made it clear that it was 24 hours a day which is what we had provided for in the original talks leading on to the Lisbon Agreement: "Do you think that it is a good idea for it to be a gradual opening?" Well, if it is gradual without reference to the Lisbon Agreement then, so be it, I mean, after all, they closed it and we have complained all the time that they had closed it and now they open it in this way. I think we cannot complain about that. In fact we have been complaining of the opposite. The question of the restrictions, generally, will have to be lifted, if and when the Lisbon Agreement is put into effect. In the meantime, I hope that there will be enough time between now and the 15th for talks to be held at local level also and not only at national level.

but at local level, so that the logistics can be arranged because if they just said the 15th they knew we were ready, I suppose, but anyhow, that is discussed now". "Is Gibraltar ready?" I think so, certainly for pedestrian traffic, yes, I think we have the necessary provision in respect of customs and immigration control and all that. Yes I think we are ready". "Do you think that Señor Gonzalez is treading very carefully by just conceding the opening and not even letting any goods go past?" "Well, we don't know, all it said was that it would not be for commercial goods. We want to see what the modalities are about luggage and so on. We cannot expect people to move about and not to be able to carry something with them. But it is all very vague at the moment. One thing he said which I, with the greatest respect to the Prime Minister, do not agree. He said that to allow tourists to move freely would be to the detriment of Spanish airlines and to the benefit of British airlines because they were heavily subsidised in Gibraltar. All I say is I wish they were". "What about the 24 hour opening, that is something new for Gibraltar. Do you think that Gibraltarians fear this a little?" "Well, we have provided for that to overcome their age long complaint about the fact that we did not allow the Spaniards to overnight in Gibraltar. I think that it will wear off along. I mean, there will be 24 hours a day but really who is to cross the frontier at three or four in the morning unless it is something very urgent. Presumably, that will mean that people can move about freely" that is what I was saying that the Spaniards think - "and much later but there are quite a number of unknowns and we will see how this works. But as I say, we have said all the

time that the closure of the frontier was inhuman and unjustified. Now they are opening it, on their own, without reference to the Lisbon Agreement and therefore I think that this is a step in the right direction". And then he said: "Do you think it is genuine?" I said: "Yes, it is genuine", and then: "Will you be contacting the Foreign Office or Mr Pym himself?" I said: "Well, I have already had contacts and in fact I saw him personally last Tuesday at another function" and then I said: "There will, of course, be a lot of communication between Gibraltar and London before the 15th". I have made my own judgement about the question of the frontier which I do not hesitate to state here, that was my immediate reaction which was one of spontaneous reaction to the situation but I would not have opposed and I do not oppose the opening of the frontier 24 hours for pedestrians at all. I do not see why we should not do that, I think Mr Featherstone has given a very good reason and my judgement is that apart from that, that it would not go well, this is my judgement, I get directions from nobody, if having made this gesture the British Government went back and said: "We have to amend what you propose to do in good faith, if we have to take them in good faith". But when the motion was moved this morning it looked as if we were beginning at the end of a very long tunnel all sorts of tricks that were going to be played and that therefore we didn't know what was going to happen because there was nothing about the Lisbon Agreement. Over lunch, as it happened, a statement has been made about the meeting between the Secretary of State and the Spanish Foreign Minister at the Nato H.Q. in Brussels this morning and it says: "The talks were held in a warm and friendly atmosphere. Both Ministers expressed the view that they wanted the best possible relations. They talked about the present North Atlantic Council meeting, NATO matters and the Spanish position, about Spain's application to join the European Community and the support given throughout by Britain together with the British hope that Spanish accession would be achieved as soon as possible. They also discussed bilateral relations, including Gibraltar, they repeated their adherence to the Lisbon Agreement and discussed implementation. They decided to meet again with a view to implementation of the agreement in the Spring, they arranged for officials to meet to consider details". Well, I think that makes a mockery of the motion that was started at half past ten this morning completely, and the reasons for it.

HON P J ISOLA:

If the Honourable and Learned Chief Minister would give way.

HON CHIEF MINISTER:

No, I am sorry I will not give way. Members opposite have been obstructive and I will be the same, I am not going to

give way. You have the right to answer at the end of the debate. So, really, what were we talking about this morning? About a conspiracy to try and get us opening the frontier a little more for the sake of opening and let it be said quite clearly though I agree that there are different views, as I said this morning about whether the frontier should remain open or not and the same thing will happen when the Lisbon Agreement is implemented, if it is implemented, the same worries will remain so the worries are not cleared simply because they are going to be pedestrians, in fact, it is not going to be because of that, in fact, there will be more worry when the Lisbon Agreement is implemented because people will go with their cars and their motorcycles and so on and the dangers of being in Spain longer will be much more accentuated than for pedestrians so this is all hypocrisy and eye wash in order to praise the band waggon of a few people who are collecting signatures to say that the frontier should close at 12 o'clock at night, as we have had with the telephone and with the electricity, it is just playing politics. I am making a statement of what I think is the right lead for Gibraltar, that in my judgement and I have no direction and I do not take directions, but I make a judgement of what is important and in fact Major Peliza, amongst the many foolish things he said, he said one or two sensible things and one of them was that Foreign Affairs was in the hands of the British Government and what they thought about it was important and in my judgement, entirely on my judgement, and I know nothing more about it, I come to the conclusion that to try and limit what the Spaniards have offered by saying: "No, we will continue closing the frontier as we are doing now", that would, in my view, having regard to what I know of the Foreign Office and their anxiety to bring about an end to the restrictions would not be well received. That aspect of the matter, apart from the local one, that is my judgement, I get no instructions from anybody but I must act according to my judgement in all the matters and that is what I have done and proud that I have stood as I have always stood for the best judgement that Gibraltar can have on the question of our relations with Spain.

Mr Speaker then put the question in the terms of the Honourable the Chief Minister's amendment 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 J B Perez
 The Hon Dr R G Valarino
 The Hon H J Zammitt

The following Honourable Members voted against:

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

The following Honourable Members abstained:

The Hon D Hull
 The Hon E G Montado

The following Honourable Member was absent from the Chamber:

The Hon A T Loddo

The amendment was accordingly carried.

HON MAJOR R J PELIZA:

Mr Speaker, the last words of the Chief Minister have really made me stand up because there is no hypocrisy at all, Mr Speaker, on the part of this side of the House on introducing this motion, absolutely no hypocrisy whatsoever. It is based on serious concern at the situation and it is no way anti-Spanish and because of this I feel that I should stand up and explain why it is possible to object to certain things from the frontier opening on humanitarian grounds and also having to go with the Lisbon Agreement about which we hear already from the news today that it appears that the Spanish Government is going to have another attempt at honouring. Let us hope they are successful on this occasion. Mr Speaker, the Lisbon Agreement I know was a very difficult thing to agree to. I can understand the Chief Minister and the Leader of the Opposition tackling the matter with trepidation but as I said before, and this is why I stood up before, the Chief Minister mentioned that I had said that we had of course on the question of foreign affairs whether we like it or not to pay considerable attention to the views of Her Majesty's Government and be, if possible, without injuring ourselves, as helpful as possible as well. I think that if Her Majesty's Government who are endeavouring to try and bring better relations between Britain and Spain and at the same time try and if possible smooth conditions between Gibraltar and Spain, that we cannot one day say: "Look at the way they are behaving, the frontier is closed, we must get rid of those restrictions", and then when Her Majesty's Government tries to do that, to block it completely we cannot. Whether we like it or not that position just does not hold. Internationally it appears at the end that we are to blame, in Britain particularly it shows that we are unreasonable and in the House of Commons we have even heard already the Foreign Affairs Committee almost

agreeing unanimously that the Gibraltarians should not hold the veto. How can we hold the situation without ourselves somehow using diplomacy and this is, I am afraid, whether we like it or not, what we have to do. We live in a very difficult and cruel world, whether we like it or not. We are there and we cannot say we do not live in this world because we do. We also know that it is unnatural for 20,000 people to live indefinitely in the locked up position that we are. That does not mean to say that we want to give in and you heard me before, you heard me before when I said we must show strength but at the same time if we have a Government with some power which can really get Spain to move then, obviously, Mr Speaker, whether we like it or not we have to pay certain attention to what they say and we have to go with them as much as it is possible. I personally do not like the Lisbon Agreement. I don't like it but because I don't like it I cannot say we do not have to live with it and try and get the best possible situation out of it. I do not agree that the situation is similar when you hear that the frontier is opening for pedestrians as when the frontier is opening completely. In my view they are two very different things, in fact, I think that the move on the part of Felipe Gonzalez is more than just a humanitarian move for Gibraltar. I can see far more than that in it. You will have noticed that Felipe Gonzalez has frozen his negotiations on NATO and you will have also heard that he said that he would hold a referendum on NATO. He is also trying to jockey for position, he is jockeying for position, that is what he is doing, and so appear to the NATO nations that he is friendly with Gibraltar. All I am saying, therefore, Mr Speaker, is that there is much more than meets the eye in the present approach and therefore I do not think that the Lisbon Agreement and this are exactly the same thing, they will be asking for a bigger price to open on the Lisbon Agreement. I do accept that the problems that are going to arise from the Lisbon Agreement are great and serious but I ought to say that I cannot see how we can prevent it because if Spain decides to open the frontier as a frontier I don't think it would be possible for Gibraltar to say that we are going to keep ours closed so under the circumstances Mr Speaker, we have to try and make the best of it and the best of it is to try and do what I believe, and on this I agree with the Minister for Economic Development, to do everything possible to bring about the protection that is necessary to safeguard the position of the Gibraltarians here, particularly the traders, and one thing that I see above everything else is most important and I do hope and I believe there is still time to keep that Dockyard open. That is the greatest defence that we have with regard to the Lisbon Agreement, it has been proved before. If we have that sort of income from Gibraltar no matter what may happen

MR SPEAKER:

Yes, but let us not start to talk about the Dockyard.

HON MAJOR R J PELIZA:

I am not going to develop on the Dockyard, Mr Speaker, it is just that it was mentioned earlier that we would stand to lose on the economic side if that frontier opened and therefore if the frontier opened we would be drained white whether it was for pedestrians or even more if it was on the basis of the Lisbon Agreement, that is what my Honourable Friend, Mr Bossano, said.

MR SPEAKER:

I am not calling your attention on that.

HON MAJOR R J PELIZA:

Yes, he did, you may not have taken note, Mr Speaker, but he did.

MR SPEAKER:

I do take note of everything that is said in this House. What I am telling you is that that is not what I called your attention about. I called your attention to the fact that you were going on to the effects of the closing of the Dockyard and in this debate that is not relevant.

HON MAJOR R J PELIZA:

I am not going to develop whether the Dockyard should be opened or closed but just to say that that was a source of income which would keep us going regardless of what may happen at the frontier, it is our safeguard and, therefore, if we have that source of income going, as it happened before, we always have the economic strength behind us regardless of what may happen. This is why I attach so much importance to that. If we can hold on to that, Mr Speaker, the situation can be faced regardless. Therefore there is no hypocrisy, Mr Speaker, no hypocrisy in the position that we have taken, absolutely none. You may accept the Lisbon Agreement as inevitable and at the same time you may wish to protect yourself now on the humanitarian position, not because the Lisbon Agreement may come oneday are you already going to give in already, no, Mr Speaker, this is the point I was trying to say. It was mostly directed at my Honourable Friend Mr Bossano who I think has quite a good idea of the way I feel about the Lisbon Agreement. I am not enamoured of it but whether we like it or not we have to live with it.

and we shall have to make the best of it if it is implemented. I think that Gibraltar has got the unity, the determination I would say even the know-how to overcome the problems that we may have to face that day but to play it safe I would tell the people of Gibraltar now let us save the Dockyard first, that is vital to us, Mr Speaker, because if we have that as a background I think the rest will look after itself.

MR SPEAKER:

If there are no other contributors to the debate I will call on the Honourable and Learned the Leader of the Opposition to reply.

HCN P J ISOLA:

Mr Speaker, I did say that I was going to reply or say something on what the Minister for Economic Development had mentioned at this particular point of time. I would like, however, first of all, to remark on the Honourable Mr Featherstone's statement. Let me say I agree with him entirely that if the Chief Minister is interviewed of course he must give his opinion the same way as if I am interviewed I give my opinion. But any Chief Minister should know when he is giving an opinion of what are sensitive areas and what are not sensitive areas. It was not necessary to give a decision on the closure of the frontier on that particular night to GBC. What could have been said is: "Yes, this is a matter that will have to be considered. This is a matter that has to be carefully considered because I have just heard about the opening from the Spanish Prime Minister himself and this is a matter that has to be discussed, it is of some import". I am not trying to stop the Chief Minister saying what he wants to say, he says hundreds of things, Mr Speaker, over periods of time, then he contradicts himself and then he says he did not say it or then he blames the newspapers for having irresponsibly reported it or whatever, that is his privilege, it is his privilege to say what he likes on television, on radio, to the newspapers, to talk about independence, free association, integration, anything he likes but when there is a bi-partisan approach and when he knows as he knows and I know and I know what are sensitive areas, then I believe he is in breach of that bi-partisan approach if he makes a statement that leads people to believe that a decision has already been taken and it is because I watched it, if I had not watched it I would have accepted everything he has said today. I watched him, I know what he said, I know the impression he put over that the frontier stays open 24 hours a day and that is why I brought the motion the next day because I thought it was an important matter that had to be discussed. Not just that, but what worried me was that a statement of that nature had been made not knowing what the

effects on the economy would be of a partial opening of the frontier and that was throwing in a card that might have been of some value as my Honourable and Gallant Friend Major Peliza said. So do not accuse me of breach of a bi-partisan approach. I am very careful, anybody who heard me give my reactions did not hear the word 'welcome' from me, they heard words "a step in the right direction provided this leads to a removal of all the restrictions". The statement the Honourable and Learned Chief Minister has just read about what had happened in Brussels is a completely predictable statement. What does it say? It says what the Spanish Socialists said during the Elections, it says what Felipe Gonzalez said during the elections, it says what the UCD Government said whenever they postponed the Lisbon Agreement; "Yes, we are still committed to it", and that it all it has said, and officials will meet in the Spring to discuss implementation. I have heard that story before, Mr Speaker. Officials have been meeting to implement the Lisbon Agreement since April, 1980. I do not know what they talk about anymore. They built the frontier, the Aduana has been built, all the facilities are there. Do not forget that the frontier was originally to open on April 20th and the invasion of the Falklands was on April 2nd. All the details had been worked out by then. Gibraltar, we were told, was ready to open. What has happened today, in my view, is adherence to the principle of Lisbon by the new Spanish Government, British support for EEC, which is what my Honourable and Gallant Friend has been mentioning. The British do have a stick, this is true now, their support is very important to Spain in any discussions in the EEC and in order to give some explanation, I suppose, of why it is not implemented tomorrow because both sides are ready for implementation, they say officials will meet in the Spring to discuss the implementation. That is all that has happened, it does not undermine the motion, on the contrary it makes it still more pertinent because now we know that the regime of pedestrian opening is going to be with us now at least until the Spring when officials are going to meet. It is very disappointing, Mr Speaker, that the Government are letting the people of Gibraltar down in order to support what the Chief Minister said on television immediately after the announcement. We consider that the opening of the frontier, overnighting as it is called, is a concession of some major importance that was agreed in relation to a particular agreement, the Lisbon Agreement, in relation to the normalisation of the frontier and that it is totally wrong for the Gibraltar Government because the Ministers have now agreed with their Chief, it is totally wrong for the Gibraltar Government on behalf of the people of Gibraltar to have thrown that in because the Chief Minister was rather pressed for time, made an interview very quickly and committed the people of Gibraltar to it. It is a matter for very, very sad regret, Mr Speaker. The frontier will open overnight because the British Government will say: "Fine, the Chief Minister has

said it is alright, the House of Assembly has now said it is alright as an amended motion so we go on and if there are problems afterwards, well you were the people who suggested it in the first place". Well, we must abide the judgement of history on that point, Mr Speaker. On the address of the Minister for Economic Development I am glad, may I say, to hear that he had a number of ideas all well worth following up and I hope he does follow them up. We do not know what the partial opening means, we do not know what it is going to mean to anybody but we do know, Mr Speaker, we do know that the economic effects on Gibraltar could be very adverse if the pedestrian opening is made in the way that has been announced by the Spanish Government, not in the way that it has been interpreted, this means this and this means that, no, in the way it has been announced, in what has been said specifically. We know enough about the present situation, Mr Speaker, we know enough about the present situation and about Spain and Gibraltar to know that against the context of the announcement Gibraltar is going to suffer economically as a result of the pedestrian opening and that is another reason for bringing the motion because watching the Chief Minister on television that night I got the impression that he had euphoria about the whole thing. Well, that is probably a bit too strong, perhaps I am indulging in the slight exaggeration that my Honourable and Gallant Friend Major Peliza is accused of, but he said: "We welcome this", I was getting worried, I said: "What is this man doing, frontier open all day we welcome it but what are we welcoming, do we know what we are welcoming". I could not resist recalling what he said or he was reported to have said - I must be very careful, Mr Speaker - what he was reported to have said I am not sure whether it was at the Party Conference, I am not sure it was there, but I saw it reported in the Gibraltar Chronicle, I also saw it reported in The Times in London when he said: "The people of Gibraltar are on the point of triumph over the forces that have tried to destroy them", talking about his general demeanour in the debate saying we must not do anything to rock the boat and so forth. Well, that was a pretty strong statement to make, wasn't it, Mr Speaker? That was hardly likely to bring the Spanish Socialist Government saying what a wonderful man Sir Joshua Hassan is. He said: "The people of Gibraltar are on the point of triumph over the forces that have tried to destroy them". That worried me against the context of what he said on television. Is this the triumph, the unilateral partial opening of the frontier with restrictions all staying? If one reads what he said and accepts what the Prime Minister said, is that the triumph? And it was because of that that I said: "That motion has to go in", I was going to raise it on the adjournment but my colleagues said: "No, there must be a specific motion, let us have a debate on this". That is why we put both parts of the motion in. And the second part, Mr Speaker, and you must remember that the motion was a restricted

motion put in in an emergency to deal with a situation that is going to arise on Wednesday next and that is why we said: "Consideration should be given to the possible damaging effects on the Gibraltar economy of the proposed manner of opening". What we were saying is: "Hang on, you know how they are going to open? There you go welcoming the pedestrian opening of the frontier, there you go saying we will keep our frontier open all the night and you know nothing about the details, you do not know the manner of opening, you do not know whether although on humanitarian grounds people are going to be able to visit La Linea and see their families against which none of us are, but you do not know whether the price that is going to be paid for that can be the Gibraltar economy and that is why we felt that the motion should be put. Mr Speaker, the motion has been mutilated, if I may put it that way, by the amendment of the Chief Minister. It has been mutilated because it has taken out a vital part of the motion, it has thrown away a bargaining strength, possibly not a bargaining strength but a point of pride of the people of Gibraltar, it has thrown it away. They say we open 24 hours, we run along, immediately and say we do, too. It has thrown away part of the pride of the people of Gibraltar just like that because it was said in television by the Chief Minister and we must all now live with it. And, of course, the amendment. I can never understand the Chief Minister when he says the amendment that he has proposed and carried: "in the same way as the Spanish Government has been concerned to protect the Spanish economy and that of Malaga and Ceuta, in particular", has of course linked Gibraltar to these places and links it in a way that could in fact result in what he is trying to avoid. He wants to implement the Lisbon Agreement, he wants normality returned but now he has put it in a way that the Spanish Government may say: "Well, we recognise that you must take these measures, we recognise your right to do so the same way as we have a right to do so. Until we are satisfied that Ceuta and Malaga and the Spanish economy are not going to be affected, we are not going to implement Lisbon or normalise". I know he had to put in an amendment, it has to be shown that he has put an amendment. It is what my Honourable and Gallant Friend says, so that people will say: "Did you hear about Sir Joshua, what he said?" The Minister laughs because he knows that I know we know. Do you know what he said, he said: "The same as they are doing for their economy we are going to do it, toma". There is no need for that addition, the motion says it so clearly "of the proposed manner of opening and steps taken to protect Gibraltar". Now we have got our Sir Joshua having told the Spaniards we are going to open the frontier 24 hours a day so that then he comes back and says: "We are going to do the same to protect Gibraltar as you are going to protect Ceuta and Melilla". That is all it seems to me to be, that particular amendment. But, Mr Speaker, as far as we are concerned, we have been very faithful on this side of the

House to the bi-partisan approach to foreign affairs and we know that that helps the Government in power, we know that and we stick to that because we feel it is important. In normal events to show our utter and complete contempt for the amendment that has been put in by the Government, we would follow what the Honourable Mr Bossano has said and abstain on the motion, in normal events, but we cannot do it because we know that if we abstain on the motion that when in cold print it is going to look that the House divided and the bi-partisan approach by the other side did not seem to be agreed that measures should be taken to protect Gibraltar's interest, they abstained on the motion and no manner of explanation here might do away with that. We are going to have to support the motion as amended much as we have contempt for the manner it has been amended and what has been done to it, we are going to support it because we feel that we must aim at some unity and we must aim at unity at least that as regards the partial opening of the frontier the Government has to give urgent consideration to take steps to protect the interests of the economy and we have to support those steps and that the number of steps that have been described by Mr Canepa are steps that have to be looked at very carefully. I mentioned one of the possible steps that has to be looked at which to me seems to be a very simple and straightforward step. We have to vote for the motion but we wish to say that the fact that we are voting for the motion, as amended, does not derogate one bit from our disapproval of the amendment that has been produced by the Chief Minister and the Government to justify and to protect, as it were, the Chief Minister for the blunder he made on television on Tuesday 7th December, 1982, at 9 pm. Thank you, Mr Speaker.

Mr Speaker then put the question in the terms of the Honourable P J Isola's motion, as amended, which now read as follows:

"This House considers that so long as there is only a partial opening of the frontier urgent consideration should be given to the possible damaging effects on the Gibraltar economy of the proposed manner of opening and steps taken to protect Gibraltar interests following from the absence of Spanish customs facilities in the same way as the Spanish Government has been concerned to protect the Spanish economy and that of Malaga and Ceuta in particular".

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 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 following Honourable Members abstained:

The Hon D Hull
The Hon E G Montado

The following Honourable Members were absent from the Chamber:

The Hon J Bossano
The Hon A T Loddó

The motion was accordingly passed.

HON CHIEF MINISTER:

Mr Speaker, I now move that this House do now adjourn sine die.

MR SPEAKER:

I will now propose the question which is that this House do now adjourn sine die and I will remind the House that the Honourable and Learned Mr Haynes gave notice that he wished to raise on the Adjournment matters referred to in Question No.312 of 1982, and since I don't know how long the Honourable and Learned Mr Haynes is going to take on the matter and since this could last another 40 minutes we will recess for tea and then come back to raise the matter on the adjournment.

The House recessed at 5.30 p.m.

The House resumed at 5.45 p.m.

HON A J HAYNES:

Mr Speaker, I gave notice I wished to raise matters pertaining to Question 312 on the Adjournment. Perhaps, Mr Speaker, I should recount the events that led to the proposing of this question and for the sake of clarity perhaps I should read the question: "Will Government undertake to arrange, or cause to be arranged, emergency facilities to be implemented in the event of another "stranded" day-tourists episode. There was, Mr Speaker, a "stranded" day-tourists episode about a month ago. My involvement came by pure chance. I was at a meeting

of the Public Accounts Committee and when I left the meeting I went downstairs and a few seconds after I left the Piazza I met a group of people, to wit, two taxi drivers and about 20 tourists. These taxi drivers explained to me that the tourists in their care had been tourists whom they had given a day tour to and who on returning to the hydrofoil had found that the hydrofoil was not going to sail. They were completely lost, they didn't know what to do or whom to turn to. And the taxi drivers - and I commend their public spiritedness - decided to try and help them. Initially, I am informed, the taxi drivers went to the Police Station and made enquiries there and the police said that they would come to the House of Assembly and see if there was a Member around who could do something for them. It was at this stage, Mr Speaker, that I intervened and in the first instance I took them to the office of the Tourist Board in the Piazza and once in there I intended to contact the Minister for Tourism but I was informed that he was away in London or abroad on a propaganda expedition. Then when I asked to speak to the Director of Tourism I was informed that he also was away, he was on a similar expedition with the Minister. Failing the attendance of either of the principal characters who I could call on to settle this matter, I contacted the acting Director of Tourism and I asked him to attend at the Tourist Office at the Piazza and I also asked him to contact the Chief Minister whom I then took to be the only Government Minister with authority to deal with the problem. At this time, Mr Speaker, I was told that there were in all about 60 tourists involved, that they were all day trippers and that a large number of them had come with no money. In fact, on enquiries I discovered that a number of them had been advised not to bring money by the hotel where they were staying in Tangiers, on the basis that it could be stolen or might be lost or whatever and they were completely stranded in Gibraltar. It also became apparent quite shortly after I spoke to these people that one of them suffered from a severe medical ailment which required constant medical attention and that the pills which had to be taken on a 7 or 8 hourly basis, had been left behind at the hotel. This I am glad to say, the acting Director managed to correct quickly but initially, Mr Speaker, nothing was being done. After phoning the Chief Minister, I decided to go down to the agency, Smith Mossi, to establish the position as far as they were concerned. There I found more stranded tourists because in the first instance I was dealing with a group of about 15 or 20 and there at Smith Mossi I was informed that the taxi drivers' information was correct, that the hydrofoil was not leaving. It was not leaving as a result of an order of the Captain of the Port who had decided that it was unsafe for the hydrofoil to travel and of course they could not overrule the Captain of the Port and they had to abide by his decision and in no way do I seek to change the Captain of the Port's authority to

decide such matters. The decision had been taken that the hydrofoil was not going to leave. The agency also informed me that their Director was in contact with the principals in Tangier and was attempting to sort out the problem. They undertook to inform me of any advancement and I returned to the Tourist Office. By this time a number of tourists at the Tourist Office was increasing and there were of course far more there than could be adequately catered for by the Tourist Office proper. When I returned I was told that the Chief Minister could not yet be located and later on I was told that he had been located but that he was not willing to intervene. Then I continued talking to the tourists who had been stranded and I was shown a sample ticket, a ticket that they had been sold in Tangier. The ticket made no mention of any conditions of any sort. It just said "Gibraltar/Tangier". There was no small print which indicated that the hydrofoil on certain occasions does not make a full round trip, nor were there any conditions as to the principal's responsibility in the event of the trip not being completed. Again, on enquiry, it transpired that none of the tourists had been given any warning, verbal or otherwise, as to what would happen if the hydrofoil did not return. Furthermore, Mr Speaker, they had not been told that on that particular day there was even a likelihood of the hydrofoil not returning. Quite the contrary, they had just been sold their tickets, put on the hydrofoil and sent to Gibraltar and their first information that the matter was not going to go as planned was when they returned to Waterport Wharf. There was no waiting room facilities, there was no one there from the Tourist Office, there was only an agent of the hydrofoil agency in Gibraltar who informed them the hydrofoil was not returning. By this time, Mr Speaker, an hour had elapsed and still the Chief Minister had not made direct contact with me, in fact, I may say that at no time during the 3 or 4 hours that I was in the Tourist Office, did I speak to him personally. But shortly afterwards I had communication from the agency to inform me that their principals in Morocco, who after all had been the persons who had sold the tickets, the tickets had not been sold by the agency in Gibraltar they had been entirely sold by the principals in Morocco, and they had extracted the following conditions from the principals in Morocco, that each of the tourists be given the sum of £8 to pay for their supper and breakfast the next morning. They were entitled and enabled to sleep on the hydrofoil for that night and there was a storm blowing and at Waterport Wharf the hydrofoil moved very uncomfortably and is not a ship in any way suitable to accept accommodation. And, lastly, the third communicated term was that an agency would guarantee the return trip on the following day, either by hydrofoil or by paying the difference to allow the tourists to go on the Mons Calpe. There was only one matter yet outstanding and that was the

matter of accommodation because there was another query and this came in from more tourists who started coming towards the Tourist Office, that the hydrofoil was about to leave, that the moment the tourists had left the hydrofoil the Captain who could leave without the tourists, on its own, was going to go straight to Algeciras and leave the ship there. In fact this did not happen but that was the fear the tourists had. And so accommodation was the only outstanding item after a wait of two hours. The Chief Minister who I still hoped to contact did not communicate with me but instead his wife, Lady Hassan, seemed to take the reins of office and I had a long conversation with her as to the terms which were or were not acceptable and she made it clear that the GLP/AACR Government did not propose to underwrite the expenses of accommodation. At this I informed the tourists of the position.

HON A J CANEPA:

Mr Speaker, if the Honourable Member will give way. Does the Honourable Member consider, in all fairness, that it is right and proper that he should bring personal matters such as that one, involving the wife of the Chief Minister himself because he is away on urgent Government business, he has been asked to go and see the Governor, the Chief Minister is unable to be there and none of us are able to answer on a matter such as that. There are certain rules, I think, that we ought to try as good manners would demand, I think that we try to play by.

MR SPEAKER:

That is another matter but I would say this, that on the Adjournment the person who has obtained the right to speak does not need to keep to the subject matter on which he has asked for leave to speak. May I say that what he has said so far refers very little to the question at hand which is whether Government will take measures to see that matters are put right so that there will be machinery whereby people would be looked after if they are stranded in Gibraltar. But as I say on the Adjournment there is no rule as to relevance.

HON A J CANEPA:

I am asking the Honourable Member to maintain certain minimum proprieties. The people concerned are not able to answer. Do we have to bring in the wives of Members into these matters, do we have to sink to that level in politics that we have to involve our wives?

HON P J ISOLA:

The only thing is, Mr Speaker, is that the House is sitting and although I am sure the Governor has called the Chief

Minister I am sure the Governor wouldn't mind waiting 30 minutes to enable him to attend the debate.

HON A J CANEPA:

Mr Speaker, the note from the Governor came at about 4 o'clock this afternoon. I think there is a limit to which the Governor himself can also be kept waiting when there are important matters that have occurred this morning elsewhere and the Chief Minister also has the Sabbath coming up shortly. I think that it is natural that he should want to see the Governor before he is unable to do so.

HON A J HAYNES:

Mr Speaker, I can assure the Honourable Member that the facts I have recounted are absolutely accurate and that Lady Hassan plays no further part in the events. But it did strike me as strange that I was dealing with the wife of the Honourable Member in fact the wife of the Chief Minister rather than with the Chief Minister or any other Minister and that struck me as remarkable which is why I bring it at this stage. The importance of that incident, Mr Speaker, is to underline the cowboy style in which the matter was handled by Government. The reason why I am going through the events of that particular day are to underline and give the reasons why the question was asked which is why the answer, in my submission, are invalidated. As I said, Mr Speaker, I then found myself acting for Government, there I was being the Public Relations man for Gibraltar, I had taken over the Tourist Office, I had 60 tourists on my hands, no one in Government wanted to help me, I was coordinating as best I could with the agents who were coordinating with the principals in Morocco. I was only too desirous to pass over the matter to someone who was in a position of responsibility, no one came to give me a helping hand so I did it on my own. At this stage the girls at the Tourist Office had remained in the office beyond the normal working hours and again a vote of thanks to the girls of the Tourist Office who remained behind without any question, no one even asked them to, they did so of their own free will, they became involved. Similarly the taxi drivers were doing a remarkable job in their own time of fetching stranded tourists who had been lost all over town since no one had told them where to go or whom to apply to for relief and these two taxi drivers, Mr Speaker, spent about three hours searching for the remaining tourists until they were all more or less agglomerated in the Tourist Office. The Tourist Office girls then rang round the hotels to find out which had vacant accommodation and the prices. Then they did a most remarkable job whereby for those tourists who had absolutely no money on them whatsoever they found them accommodation on a two to a room basis even though they didn't

necessarily know each other, which should be covered by their £8. These people then would not be entitled to have any meal either supper, breakfast or lunch, as it transpired the next day. Perhaps at this stage, Mr Speaker, I should make a note of what kind of tourists these were, they were 60 or 61, they were primarily English package tourists who had gone to Morocco. Not, the majority of them, experienced or great travellers. They felt completely bewildered, they were lost, most of them were cold because they had come for the day and it had become a rather unpleasant day, and they were worried. They were worried, Mr Speaker, because they had no money, it seemed that no one could help them no one was telling them what to do or where to go and they were stranded. And for anyone who has been in such a position, Mr Speaker, it is the most unpleasant state of affairs and these people were not being adamant, they were just feeling helpless. Added to this vast majority of the English tourists there were 1 or 2 Frenchmen and 1 or 2 Moroccans who had come for the day. Perhaps I should add that one of the English tourists in fact was a member of the British Tourist Board, she was a lady who was rather different to the others, she said that she was astonished that no one from the Tourist Office had been there to offer instructions, she was going to raise this in England when she got back. She was also surprised that no one seemed to take as interest in their predicament. Initially, she thought that Gibraltar was to blame and I, Mr Speaker, had to make it clear to her that the principal people responsible for this were the company in Morocco who could do as they wished. As this stage, Mr Speaker, I was only seeking one thing, that Government should finalise the package deal that had been negotiated for the tourists, and that was accommodation overnight. The total cost would have been at the highest about £500, Mr Speaker. This money was refused and the cooperation I received at a ministerial level was minimal and I asked Question No.312 of 1982: "Will Government undertake to arrange or cause to be arranged emergency facilities to be implemented in the event of another "stranded" day-tourists episode to ensure that this does not happen again?" And I was disappointed with the answer which, Mr Speaker, perhaps I should read at this junction: "No, Sir. The Government (Tourist Office) will however provide a service as happened recently when a group of visitors were stranded in Gibraltar due to inclement weather. The Tourist Office staff are available to help book accommodation on their behalf, intercede with local agents and generally liaise with all parties concerned to ensure that as little hardship as possible is suffered by those stranded". Well, Mr Speaker, unless I am the Tourist Office I do not know who Government is talking about. I liaised with all the parties concerned and I wonder whether had it not been for the work of two taxi drivers whether the Tourist Office would even have been informed. It is mockery to say that Government

provides this service. It provided it at the insistence of two gentlemen who have nothing to do with the Government and was then followed through by myself, Mr Speaker, and it was a shame to answer in those terms. So then, Mr Speaker, comes the point, why should Government have been made responsible in the first place? There are a number of reasons for this. One because we have an ailing tourist industry and we are supposed to be doing everything within our powers to offer a more complete and personal service to tourists in Gibraltar. We cannot compete with Morocco or with Spain in terms of beaches, night attractions, we haven't got a chance, Mr Speaker. What we can, however, offer is the security and the homeliness which we have abundantly available in Gibraltar and furthermore, Mr Speaker, we can offer a kind of personalised service which is only possible because of our small size and that, Mr Speaker, is a very attractive package but it must be fulfilled, Mr Speaker, and this is exactly what I was asking the Government to do because it is in the interest of tourism in Gibraltar and we cannot afford not to pay attention to every possible problem of tourism. And another reason, Mr Speaker, is out of a sense of duty and the reason for that is very simple, Mr Speaker. The Gibraltar Government advertises in Le Journal de Tanger the hydrofoil service to Gibraltar. It is asking people to come to Gibraltar and use the hydrofoil service, it is selling Gibraltar, inter alia, by means of the hydrofoil service. They cannot just reap the benefit of the day tourists when things go well and ignore them when things go badly, there is a responsibility attached to an advertisement, Mr Speaker. And what makes it even more important to stress this sense of duty is the fact that this is not the first time that this has happened, it was the first time that it happened in this magnitude. I was informed during the events of this day which took four hours of my time and little thanks I received for it, I was informed that this had happened in isolated occasions for individuals in the past and that Government had been informed but in their wisdom, of course, they ignored it. Because, Mr Speaker, they had prior warning of this they should have felt a sense of responsibility when having ignored those warnings the catastrophe occurred, and it is a catastrophe when 60 tourists in one day are put out completely and they find themselves in a place where no one is prepared in any manner or form to help them. And again the third reason, Mr Speaker, and perhaps the reason which this Government may understand, is that for £500 and the little service that has been given you had the best investment that Gibraltar tourism had had in that month. For £500 it would have cost to have 60 advocates for the marvels of Gibraltar tourism and that is all that it would have cost, Mr Speaker, you would have had 60 people writing letters, telling their friends and a member of the Tourist Board commending Gibraltar's remarkable tourist service, a far better propaganda, Mr Speaker, and a far cheaper propaganda

than the one which ironically enough was actually being conducted by the Honourable Minister and the Director of Tourism, I wonder how much their expedition cost the public purse of Gibraltar, certainly more than £500, Mr Speaker. That £500 would have been the best advert for Gibraltar. We care even when we are not really responsible and that is the argument you could use. How much more would we care if we felt that we were fully responsible. And that kind of argument must hold water, Mr Speaker, and of course the converse is also true, Mr Speaker, if you don't do something for these tourists who feel that you are responsible, they are in Gibraltar, they know that they cannot get anywhere to Tangier, they are lost in Gibraltar, their bewilderment was directed towards those in power in Gibraltar. Those 60 people Mr Speaker, if they are not helped will be 60 people who will be putting Gibraltar's name down when they get back home and that is also of considerable importance. So, Mr Speaker, what should be done? The Government must ensure that they either prevent such an occurrence or that in the event of such an occurrence a contingency plan is put into effect quickly and effectively. Perhaps, Mr Speaker, and I don't think the Government should be responsible for the agents or the company in Morocco but the first thing that should be done is to ask and require the agency in Gibraltar to try and get an agreement from the principals in Morocco whereby in the event of any tourists being stranded he will automatically be given board and lodging and a return ticket and they should ask the agents to try and achieve that. But we all know, Mr Speaker, that the agents here are not in a position to demand anything of the principals so if the agents then come back to Government and say: "Look, we have tried and they have said: "Go to hell" or "We are not going to do what you want, we will go somewhere else", then the Government should at that stage intervene. This, perhaps, ties in with my earlier question for a Moroccan Consul, perhaps if we had one it would not be a problem but the Government, Mr Speaker, does have some way where no individual or private company does. The Government is doing a service to the north of Morocco by employing the number of Moroccans that we can employ and if it was necessary the Government could appeal to the Governor of Tangier to ensure that the principal company involved in this would ensure that the finance required in the event of a disaster would be forthcoming and if the Government cannot get the agents to provide such a fund and if the Government cannot themselves convince the Governor, then they should say: "Well, either we withdraw all adverts for tourism", or if we want to continue trying to bring tourists here we have got to set up our own emergency facilities and, Mr Speaker, it would not be very costly. We have already seen that 60 would only have cost Government £500, if Government made a prior arrangement with hotels and said: "You take in tourists for us at moments notice when we have got a problem and you can take it off your rates and electricity bills that you are not paying anyway",

that sort of an agreement. If Government planned things, Mr Speaker, this is only a suggestion, Mr Speaker, it is better than anything the Government has come up with so far. What I am asking is that the Government should work out a plan to prevent such an occurrence again and the answer that I was given, Mr Speaker, is mere eyewash.

HON MAJOR R J PELIZA:

Mr Speaker, I would like to make a couple of constructive suggestions and the first one is that we should thank my Honourable Friend here for having taken such an interest when, really, it was not his business at all and yet I think he went out of his way to try and pacify those tourists and encourage them to come back again, more than perhaps can be said for other people. Secondly, I think we congratulate the girls of the Tourist Office and the other people concerned in the Tourist Office, for, obviously, the marvellous work that they did. However, I think having gone so far one has to be critical of the Minister's Department in not having a contingency plan for that situation. I don't know whether this is the first time it has happened or whether it has happened before. If it has happened before, of course it is unpardonable. If it has not happened before I think we have got to put it right. It is easy, I would have thought, to make use of the airport terminal to try and accommodate those people for the night. It should be also possible to have a number of blankets ready for such situations. Also I think it should be possible to have given them a cup of tea. That would have been very much appreciated by those tourists as the Government doing everything possible for them. The money involved would have been negligible and in any case we are charging tourists who are leaving Gibraltar a tax every time they leave the airport. You collected about £85,000 last year for no reason whatsoever, I think that is a swindle in my view, but anyway if you have £85,000, yes, it is a swindle, why should we charge anyone leaving Gibraltar a tax, for what reason? I don't think it is right, I have always been against but it is there. Anyway, the money is there all I am saying is that there are £85,000 there and I think they could meet such a contingency out of that fund. How much to spend is your business but at least show that we are a civilised people here. This is a small community, this is not like London where people do not expect attention but when you come to a little place like a village you expect that and if you don't get it you are very annoyed. For that little gesture of nothing, really, nothing at all, the amount involved nothing, the effort hardly anything, just lack of foresight on the part of the Department, no imagination, no way of being prepared for such a situation and I think the Minister must take the blame for that whether he likes it or not and whilst I see that there are mitigating circumstances because this may not have happened before and they did not have the foresight, I think it is not justified that this should happen again.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, purely on a point of clarification. I would just like to draw the Honourable Member's attention to the fact that the £85,000 of departure tax is collected not only from tourists but from residents as well.

HON MAJOR R J PELIZA:

Even worse then, much more reason to have used it for that purpose.

HON H J ZAMMITT:

Mr Speaker, let me commence by saying that I am really astonished that this question, No.312, has required the House to have a motion on the Adjournment. I think the Honourable and Learned Mr Andrew Haynes is totally aware of the Gibraltar Tourist Office intervention in the whole setup from the moment he found that I was away in London and that the Director was away in Cannes, on two separate issues, the Acting Director, Mr Pearce, took over and in fact according to the correspondence that I have Mr Haynes, in fact, thanked Mr Pearce and the GTO staff for the part played. Mr Speaker, I would like to remind Mr Haynes of his unfairness in having involved Lady Hassan in this issue because the Chief Minister was informed directly by the Acting Director, Mr Pearce. Mr Pearce informed the Honourable and Learned Mr Andrew Haynes that Government would not accept financial responsibility for putting up these people, it was a matter for the agency to do so as is done with every other means of transport not covered by insurance, if they are good carriers then the particular airline, shipping line or bus route or whatever will put up people if need be but no Government in the world, large, small, Lilliputian or whatever you like, accepts a responsibility because of inclement weather to put up stranded passengers because of inclement weather, no Government at all and, in fact, Mr Speaker, by sheer coincidence the Honourable the Leader of the Opposition and myself were stranded on that particular same day at Gatwick and I didn't see anybody from the British Tourist Office there. I was very well looked after by GB Airways, very well looked after, by GB Airways, the agents of the airline we were using and therefore we expect that the agent or carrier should look after their failure in not being able to fulfill the promise of a return ticket to Morocco. But let us not go away with a dream that the Gibraltar taxpayer should assume the responsibility of a company or a carrier's failure and that is where the whole crux of the story lies. I remember vividly, Mr Speaker, in a supplementary to Question 312 on Wednesday, I invited the Honourable Member to inform me if to his knowledge there was any Government that undertook such responsibility for I

certainly have not heard of any Government so doing. The fact that the hydrofoil has an agency in Gibraltar is all the more reason why the agent in Gibraltar should demand from their principals a continuance of the service they are promising to carry out, all the more. Mr Speaker, what did occur on the day in question is that Mr Pearce from the Tourist Office went and saw the Chief Minister in his office and informed him of this and, quite rightly, he said: "Well, I am afraid this is not the Government's responsibility, it is the agent's responsibility". When the Honourable and Learned Mr Haynes was informed of this he insisted and took it up with the agents who came up with a figure of £8 for food, I understand, but nothing for accommodation, Mr Haynes then tried to contact the Chief Minister again and was unable to do so. Meanwhile Mr Pearce again tried to contact the Chief Minister and got in contact with Lady Hassan. It was then, having heard from Mr Pearce that the agents had afforded the princely sum of £8 per passenger, that Lady Hassan informed Mr Haynes that as far as she was concerned

HON A J HAYNES:

I thought Members were unwilling to cite the wife of the Chief Minister in this debate.

MR SPEAKER:

In fairness to the Government, they must be in a position to reply to any allegations that have been made.

HON H J ZAMMITT:

They raised it, Mr Speaker, that is why I am trying to explain that Lady Hassan is the wife of Sir Joshua but she is not the Deputy Chief Minister of the Government as the Honourable Member implied. What Lady Hassan said was that she understood that the agents had now provided £8 and as far as she was concerned she thought that had been sorted out and that was the information she had from Mr Pearce. Mr Speaker, whether the ticket has or does not have in small print or large print or is informative as to the company's or agency's responsibility is a matter for the individual traveller. Members of this House insure themselves against such liability. People who travel insure themselves, the company should insure itself. There is no need to involve the Gibraltar taxpayer in having to pay for a bill for which they have no responsibility. I know, Mr Speaker, that this Government takes the credit for everything that happens but you cannot say that we are responsible for the question of inclement weather, we just cannot possibly accept it. Mr Speaker, if the situation is that because a Member of this House particularly in the Opposition, is going to quote the wives of Ministers having

said this or the other by way of phone then he may find or they may find that our wives could rightly be instructed just to say 'nowt' or 'out for nowt', that is a Yorkshire expression, as opposed to being helpful as I think most wives normally are to Members of the Opposition. Certainly in my experience when I have had Members of the Opposition telephoning me or wanting any contact with me. So I think there should be some caution as to keeping our wives out of the political arena. Mr Speaker, so much then for the cowboy style in which the whole matter was dealt with. I think the Gibraltar Tourist Office the moment Mr Pearce got to know and I think the Honourable Member has been quite elegant about this, the moment Mr Pearce got to know about this he was down here in the Piazza Tourist Office. The girls here were at their entire service, they continued until something like 8.30 in the evening with them if the report I received is correct and I have no reason to disbelieve that. Mr Speaker, the fact that we advertise in the Journal de Tanger: We advertise the Viscount, we advertise the Mons Calpe, does that give Government liability perhaps to pay for accommodation of people who come over here via Mons Calpe or via Viscount on account of inclement weather? Surely not, Mr Speaker, let us be more realistic. No Government accepts it, whether we are large, whether we are small, whether of course we have to spend money in attracting tourists let us be quite reasonable and realistic about it. Government cannot prevent adverse weather, I think the Chief Minister has some power as to rain but certainly not gales and the like. As to the agency and principals that is a matter for the agents. Gibraltar cannot obtain a bad name through this good lady in the British Tourist Board. The Company will obtain a bad name. The company failed to provide the promised service, not the Gibraltar Government Tourist Office. Mr Speaker, I must rush through this very quickly, I lament once again that Major Peliza blames the Government. I would suggest to Major Peliza that after nearly 3 years that I have been acting Minister for Tourism, he has not had the interest, on one of his fleeting visits to Gibraltar, to visit the Gibraltar Tourist Office despite the fact that I have extended invitation after invitation and, equally, in London.

HON A J CANEPA:

Mr Speaker, before you rise perhaps you might give me an opportunity to extend to you, to all Honourable Members and to the Clerk and the staff of the House of Assembly my very best wishes to all and their families for a very happy Christmas and also for a very peaceful and prosperous 1983.

HON P J ISOLA:

Mr Speaker, I would like to associate myself entirely with the remarks of the Minister and wish our own warm wishes to the other side for Christmas and the New Year and to you, Mr Speaker, and the staff of the House.

MR SPEAKER:

I join with the season greetings of both sides of the House and thank them for their good wishes and I would also thank as the Honourable Mr Canepa has said, the members of the staff and of the information services who are always with us when we are sitting. I wish them a hearty Christmas and a prosperous New Year and having said that I will now put the question which is that this House do now adjourn sine die.

The question was resolved in the affirmative and the House adjourned sine die.

The adjournment of the House sine die was taken at 6.30 p.m. on Friday the 10th December 1982.