

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 Delliapiani 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 Loddó
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 Serrfaty 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 Serrfaty 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 as 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 DELLIPIANI:

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 troops 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 £8.8m (+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 £6.7m (+23%). Deposits held at the Post Office Savings Bank continued to fall in real terms; they stood at £1.8m 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 £14,265,500 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 £2,594,000 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 54% 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 slow-down 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 GIP/AAGR 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 that 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 Zammit 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 Juna, 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 LODDO:

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 disinfectionation 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 disinfectionation 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 dis-similar 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 led 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 Loddo 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 stand-offish. 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

estrangle 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 academic, 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 Gibraltarian 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 Loddo. 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 ZAMMIT:

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.

HON J BOSSANO:

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 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 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 GSLP is concerned, the GSLP 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 ISOLA:

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 spend 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 15% 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 Zammit 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 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 and 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.

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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 Zammit
The Hon D Hull
The Hon R J Wallace

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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.

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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 Humphrey's 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.

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(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 Drugist 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 disinfectation plant is?

HON J B PEREZ:

Mr Chairman, this disinfectation 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 disinfectation 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 queuing 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 Sandbits 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 stops 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 FWD 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?

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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.

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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 Enrolments 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 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 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 1958, 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 Gibraltar 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 GEC?

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 insure 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 under-written 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 than 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 brain-washed 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 Poggiano 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 I 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 ZAMMIT:

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 of 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 - Kasia 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 £1¹/₂ 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.

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On a vote being taken on Subhead 19 - Quarter - Woodford Cottage the following Honourable Members voted in favour:

The Hon I Abecassis
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?

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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 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

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 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

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 most 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
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>£319,800</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>£ 96,900</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>£1,280,400</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 ISOLA:

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's 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 £1.1m 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, £1.1m for Rosia Dale, they are going to have and repay the £1.1m 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 £12m 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 see 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 milestone 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 Lodo, 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.

593.

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 Loddo
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Member abstained:

The Hon J Bossano

The Bill was read a second time.

594.

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.

Clause 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 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 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 Loddo
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 Loddo
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 Loddo
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Member abstained:

The Hon J Bossano

The 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.